NOVEMBER 1984

11/20/84
S0320-1
A

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

YEARLY CPI PERCENT CHANGE
WAGE AND CLERICAL WORKERS ONLY
1967 TO PRESENT

1 High Tech: Alaska's Boom Industry?

6 Graphic Facts

ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

November 1984
Volume 4
Issue 11

CONTENTS

High Tech: Alaska's Boom Industry? 1
Graphic Facts 6

Alaska 18
Anchorage/Matsu 24
Fairbanks/Interior 29
Gulf Coast 32
Southeast 35
Hours and Earnings 37
Labor Force by Region and Census Division .... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

HIGH TECH: ALASKA'S BOOM INDUSTRY?

By John Van Houten

Alaska has not enjoyed the rapid (and highly publicized) growth in high technology employment experienced by some other regions of the country. A review of the nature of high technology and some of the trends surrounding these industries reveals why Alaska has not shared in this phenomenon. Most people working in high technology occupations are directly involved in developing or applying new technologies. While computer and electronics specialists, engineers, mathematicians, physical and life scientists, and engineering and science technicians are clearly included, no standardized, universally accepted definition of high technology exists.

The U.S. Department of Labor, Bureau of Labor Statistics (BLS), has identified three different, though overlapping, groups of high tech industries. Group I high tech industries are determined on the basis of their workforce. An industry is classified high tech if the number of its employees working in scientific and technical fields are at least one and a half times the average for all industries. Group II industries are industries that have a ratio of research and development expenditures to net sales that is at least twice the average for all industries. Inclusion into Group III is based both on the composition of the labor force and on research and development expenditures. Manufacturing industries are included in Group III if the proportion of scientific and technical workers in the industry was at least equal to the average for all manufacturing industries and the ratio of research expenditures to sales was at least close to the average for all industries.

Where does Alaska rank in a comparison of high technology employment? When taken as a percentage of total nonagricultural employment, Alaska ranks 46th among the states and U.S. possessions under the workforce definition. Alaska is tied for last place in Group II, under the definition of research and development expenditure as a percent of sales. Alaska ranks 50th when the hybrid of workforce skills and research and development definition of Group III is used (See Table 1).

Forty-eight industries have been classified as high tech by the BLS based on the proportion of their workers in scientific and technological fields (more than one and a half times the national average for all industries, see Table 2, Group I). Heavy construction, engineering services, wholesale heavy machinery, crude petroleum and natural gas production, and communications services are the major high tech industries contributing employment in Alaska.

When high technology is defined in terms of the ratio of research and development expenditures to net sales, i.e., at least twice the 6.2% national average of all industries, Alaska is found to be without significant high tech employment (See Table 2, Group II). While there are state of the art technological applications in Alaska (especially in communications and oil exploration and extraction) there is very little actual research and development. In addition, since there is only very limited research and development outside of the manufacturing sector (both here and in the lower forty-eight) it is hardly surprising that Alaska, with so little primary manufacturing, is unrepresented.

A definition based on the proportion of technology-oriented workers equal to or greater than the national average (6.3%) and the ratio of research and development expenditures to sales equal to or greater than the national average (3.1%) identifies 28 major industrial groups none of which have

Table 1
High Technology Industries
Percent of Firms Qualifying as High Technology by State and U.S. Position
By Three BLS Definitions of 'High Tech'

Group I		**Group II**		**Group III**	
Delaware	25.1	Connecticut	6.8	Delaware	14.8
Michigan	19.8	New Hampshire	6.8	Connecticut	12.5
Connecticut	19.3	Arizona	6.6	Massachusetts	11.4
New Hampshire	18.4	Vermont	6.5	New Hampshire	11.2
Indiana	16.6	California	6.2	New Jersey	10.1
Texas	16.6	Massachusetts	6.0	Vermont	9.8
Massachusetts	16.5	Washington	5.6	California	9.6
New Jersey	16.4	Kansas	4.4	Arizona	8.4
Ohio	16.0	Puerto Rico	4.1	Puerto Rico	8.1
California	15.5	Utah	4.0	Washington	7.8
Oklahoma	15.4	New Jersey	3.7	Indiana	7.6
Vermont	15.4	Colorado	3.3	Kansas	7.0
Kansas	15.0	Minnesota	3.2	Minnesota	7.0
Colorado	14.4	Missouri	3.1	New York	6.7
Illinois	14.2	Indiana	3.0	Colorado	6.6
Arizona	14.0	**United States**	2.8	Missouri	6.5
Wisconsin	14.0	Florida	2.8	**United States**	6.3
United States	13.7	New York	2.8	Tennessee	6.2
Missouri	13.7	Texas	2.5	South Carolina	6.1
Minnesota	13.1	Maryland	2.1	Utah	6.0
Pennsylvania	13.1	Illinois	2.0	Illinois	5.9
Louisiana	13.0	Pennsylvania	2.0	Pennsylvania	5.9
Iowa	12.9	Rhode Island	2.0	Texas	5.9
Tennessee	12.9	Maine	1.9	Ohio	5.8
Washington	12.8	North Carolina	1.9	Wisconsin	5.5

significant employment in Alaska (see Tables 1 & 2, Group III).

Clearly, by any definition, high technology employment in Alaska is very limited and well below the national average level. A brief look at some of the trends in high tech employment further explains why Alaska has not participated in the high tech boom.

High technology enterprises usually locate in or near major research areas and universities that originate the ideas and technology that are then developed commercially by high tech entrepreneurs. High tech companies usually locate in areas that have a rich industrial infrastructure; a highly trained, technologically sophisticated labor pool; and in areas with low labor costs. In addition, high tech companies tend to locate in areas that already have a high concentration of high tech enterprises. Clearly all of

Group I		**Group II**		**Group III**	
New York	12.5	Oklahoma	1.8	Maryland	5.2
South Carolina	12.4	Alabama	1.7	Virgin Islands	5.2
Kentucky	12.0	Nebraska	1.7	North Carolina	5.1
Utah	11.9	Ohio	1.7	Virginia	4.6
Arkansas	11.8	New Mexico	1.6	Arkansas	4.5
Wyoming	11.6	Oregon	1.6	Florida	4.5
Maryland	11.4	Idaho	1.5	Idaho	4.5
North Carolina	11.2	Iowa	1.3	West Virginia	4.5
New Mexico	10.9	South Carolina	1.3	Rhode Island	4.4
Puerto Rico	10.9	South Dakota	1.3	New Mexico	4.3
Mississippi	10.6	Georgia	1.2	Oregon	4.2
Virginia	10.4	Tennessee	1.0	Louisiana	4.0
Alabama	10.3	Virginia	1.0	Alabama	3.8
West Virginia	10.2	Michigan	0.9	Michigan	3.8
Idaho	10.0	Kentucky	0.8	Kentucky	3.7
Georgia	9.8	Arkansas	0.7	Oklahoma	3.7
Florida	9.6	Mississippi	0.7	Iowa	3.3
North Dakota	9.4	Nevada	0.7	Mississippi	3.3
Oregon	9.3	Louisiana	0.6	Nebraska	3.3
Rhode Island	9.3	Wisconsin	0.6	Georgia	3.2
Nebraska	9.0	Delaware	0.5	Maine	3.1
Alaska	8.2	North Dakota	0.2	Nevada	2.8
Virgin Islands	8.1	West Virginia	0.2	South Dakota	2.5
South Dakota	7.9	Dist. of Columbia	0.1	Wyoming	1.1
Montana	7.5	Montana	0.1	Montana	0.9
Maine	7.0	Wyoming	0.1	**Alaska**	0.6
Nevada	6.6	**Alaska**	•	Dist. of Columbia	0.6
Dist. of Columbia	5.3	Hawaii	•	Hawaii	0.5
Hawaii	4.2	Virgin Islands	•	North Dakota	0.5

Source: U.S. Department of Labor, Bureau of Labor Statistics; ES202 Report on Employment and Wages.

- Too small to be significant.

these trends, when combined with Alaska's already formidable problems of geographic isolation, severe weather, and small population explain the lack of high technology employment in Alaska.

Alaskans can console themselves, however, by realizing that for all the publicity surrounding the admittedly high growth rates for high tech employment, the actual number of jobs generated nationally is relatively small. Also, the original base was quite small, in comparison to the workforce as a whole. In the next ten years, the proportion of high tech jobs will only increase from the present 3% to a projected 4% of the workforce. High technology industries will be responsible for only 6% of the new jobs

---

Table 2
High Technology Industries
By Three BLS Definitions of 'High Tech'

		High Tech Group			Alaska # of	
SIC	Industry	I	II	III	Firms	Emp.
131	Crude petroleum and natural gas	X			20	2287
162	Heavy construction, except highway and street	X			217	5794
281	Industrial inorganic chemicals	X		X	0	0
282	Plastic materials and synthetics	X		X	0	0
283	Drugs	X	X	X	0	0
284	Soaps, cleaners, and toilet preparations	X		X	0	0
285	Paints and allied products	X		X	1	•
286	Industrial organic chemicals	X		X	0	0
287	Agricultural chemicals	X		X	1	•
289	Miscellaneous chemical products			X	0	0
291	Petroleum refining	X		X	4	•
301	Tires and inner tubes	X			0	0
324	Cement, hydraulic	X			0	0
348	Ordnance and accessories	X		X	0	0
351	Engines and turbines	X		X	0	0
352	Farm and garden machinery	X			0	0
353	Construction, mining, and material handling machinery	X			4	20
354	Metalworking machinery	X			1	•
355	Special industry machinery, except metalworking	X		X	0	0
356	General industrial machinery	X			1	•
357	Office, computing, and accounting machines	X	X	X	0	0
358	Refrigeration and service industry machinery	X			0	0
361	Electric transmission and distribution equip.	X		X	0	0
362	Electrical industrial apparatus	X		X	0	0
363	Household appliances	X			0	0
364	Electric lighting and wiring equipment	X			0	0
365	Radio and TV receiving equipment	X		X	0	0

expected to be created in the next decade. It is also interesting to note that of the jobs generated by high technology industries, less than one-third of these jobs will be technological in nature. The remaining two-thirds will be in the usual mix of managerial, clerical, service, and production.

It is helpful to keep in mind as the media continues its fascination with the 'miracle' of high technology, that in the eighties, both in Alaska and nationwide, employment growth in absolute numbers will be dominated by sales and service occupations, not high technology occupations. (See July *Alaska Economic Trends.*)

SIC	Industry	High Tech Group I	II	III	Alaska # of Firms	Emp.
366	Communication equipment	X	X	X	1	•
367	Electronic components and accessories	X	X	X	0	0
369	Miscellaneous electrical machinery	X		X	3	•
371	Motor vehicles and equipment	X			1	•
372	Aircraft and parts	X	X	X	1	•
376	Guided missiles and space vehicles	X	X	X	0	0
381	Engineering, laboratory, scientific, and research instruments	X		X	0	0
382	Measuring and controlling instruments	X		X	0	0
383	Optical instruments and lenses	X		X	0	0
384	Surgical, medical, and dental instruments	X		X	0	0
386	Photographic equipment and supplies	X		X		0
483	Radio and TV broadcasting	X			52	1187
489	Communication services, n.e.c.	X			24	1543
491	Electric services	X			48	1181
493	Combination electric, gas and other utility services	X			3	•
506	Wholesale trade, electrical goods	X			63	705
508	Wholesale trade, machinery, equipment, and supplies	X			175	2452
737	Computer and data processing services	X		X	59	496
7391	Research and development laboratories	X		X	9	78
891	Engineering, architectural, and surveying services	X			330	3042
892	Noncommercial educational, scientific and research organizations	X			31	329

Source: U.S. Department of Labor, BLS Monthly Labor Review, Nov., 83.

1/ ES202 Report, 3rd Quarter 1983.
- Nondisclosable

GRAPHIC FACTS

By Jeff Hadland

Alaska is statistically different, in many ways, from most other states. Alaska has the highest median family income and the highest per capita personal income (unadjusted for the cost of living). The following graphs illustrate some of these inter-area differences. Alaska has changed dramatically during the last ten years, with construction and operation of the oil pipeline and North Slope oilfield development the major economic impetus for this change. Historical employment data by industry, unemployment and consumer price index information are presented from 1974 to the present.

Graph 1 Per Capita Personal Income

Per capita personal income estimates are derived by estimating the total income from all sources of residents of a state. The largest component of personal income is wages and salaries. However, income from dividends, self employed earnings and businesses are also included in the total personal income measure. The per capita figure for each state is calculated by dividing the total personal income by the estimated total population.

Graph 2 Median Family Income

Median family income estimates for a family of four are provided by the U.S. Bureau of the Census. By definition, half of all families of four earn less than the median income figure while half earn more. The median income figure is estimated from personal income data, U.S. Census data and the Current Population Survey.

Graph 3 Percent of Total Population Born in State of Residence

In the 1980 U.S. Census, a sample of residents in each state were asked to indicate the state in which they were born. From this information, the proportion of current residents that were born in their current state of residence was determined. Alaska has the third largest proportion of current residents who were not born in the state.

Graph 4 Wage and Salary Employment by Labor Market Area

Annual average nonagricultural wage and salary employment is shown by labor market area as a percent of total statewide employment.

Graph 5 Annual Earnings by Industry

The measure of earnings by industry varies depending upon the choice of definition. The annual average earnings rate is determined by dividing total annual wages by average monthly employment. The average earnings for all workers is determined by dividing total wages by the total number of individual workers who worked at some time during the year. For instance, in 1983 average monthly employment for all industries was 193,035 while the total number of workers was 313,900. Average and median earnings for all workers are significantly less than average monthly earnings, based on average monthly employment, especially in industries with a large amount of turnover or a great deal of seasonality (manufacturing, construction and trade).

Graph 6 Basic vs Non Basic Employment

Average annual total employment figures for 1984 through 1989 have been forecast by Research and Analysis for the Occupational Employment Statistics (OES) program. For purposes of this graph, Alaska's basic industries include mining, construction, manufacturing and government.

Graph 7 Yearly CPI Percent Change

The change in the consumer price index (CPI) for wage and clerical workers only compares Anchorage price changes to that of Seattle and the U.S.

Graph 8 Unemployment Rates

The not "seasonally adjusted" unemployment rate dramatizes the importance seasonal industries have in affecting the rate of employment and unemployment.

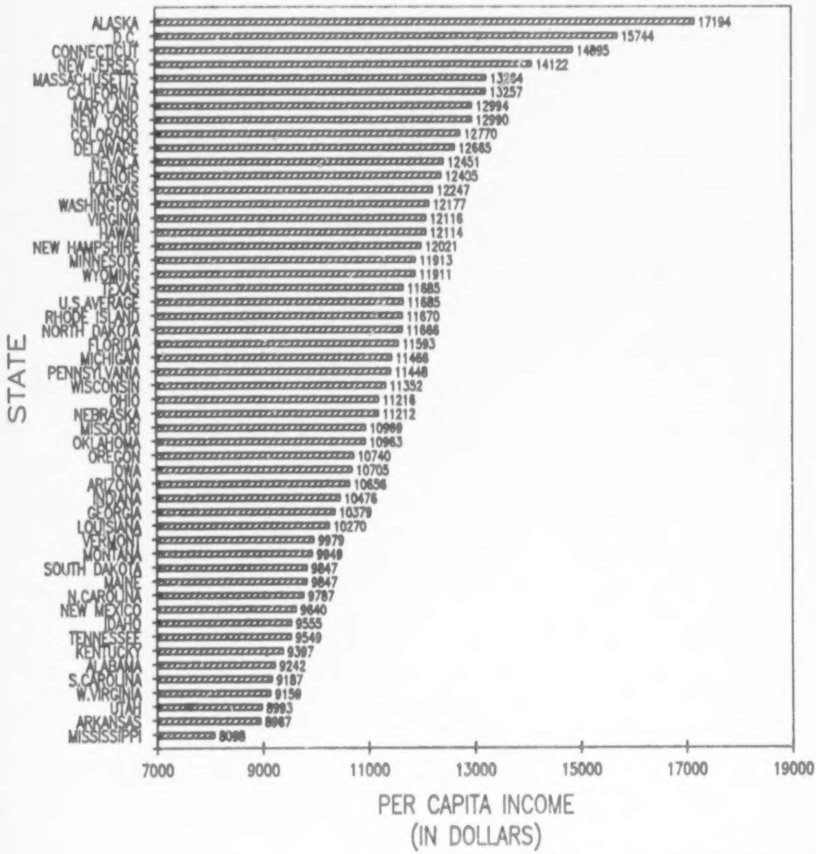
Graph 9 Wage and Salary Employment 1974-1984

In addition to graphing wage and salary employment, a trend line using regression techniques indicates the average rate of growth in employment since 1976.

Graphs 10-18 Employment by Industry by Month

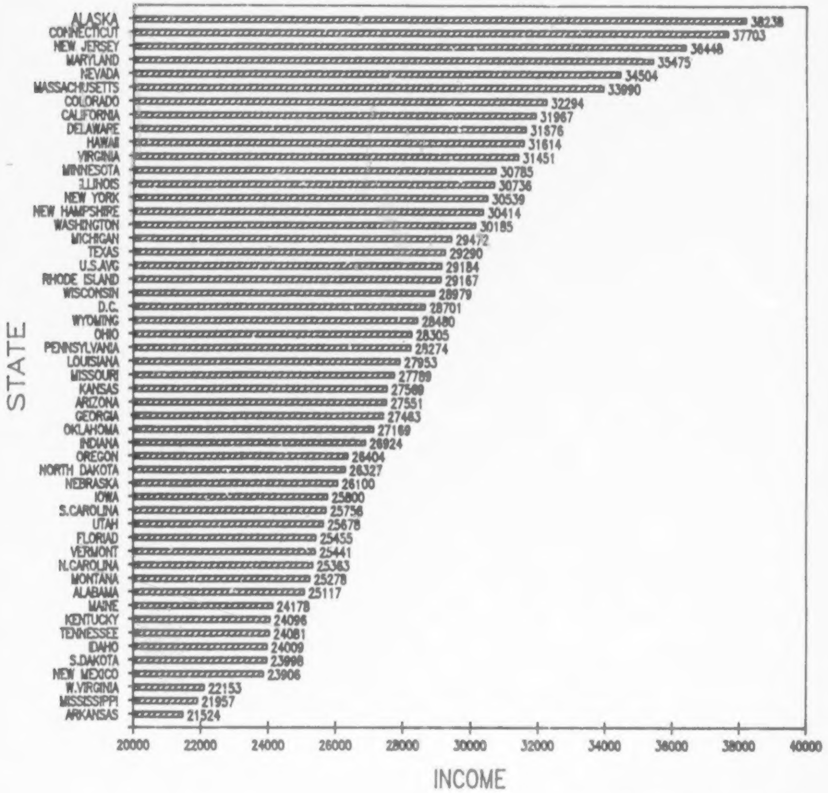
Each major industry's employment suggests its overall importance to Alaska's economy and its seasonal influence.

PER CAPITA PERSONAL INCOME
BY STATE
1983



SOURCE:U.S.DEPT OF COMMERCE–BEA.

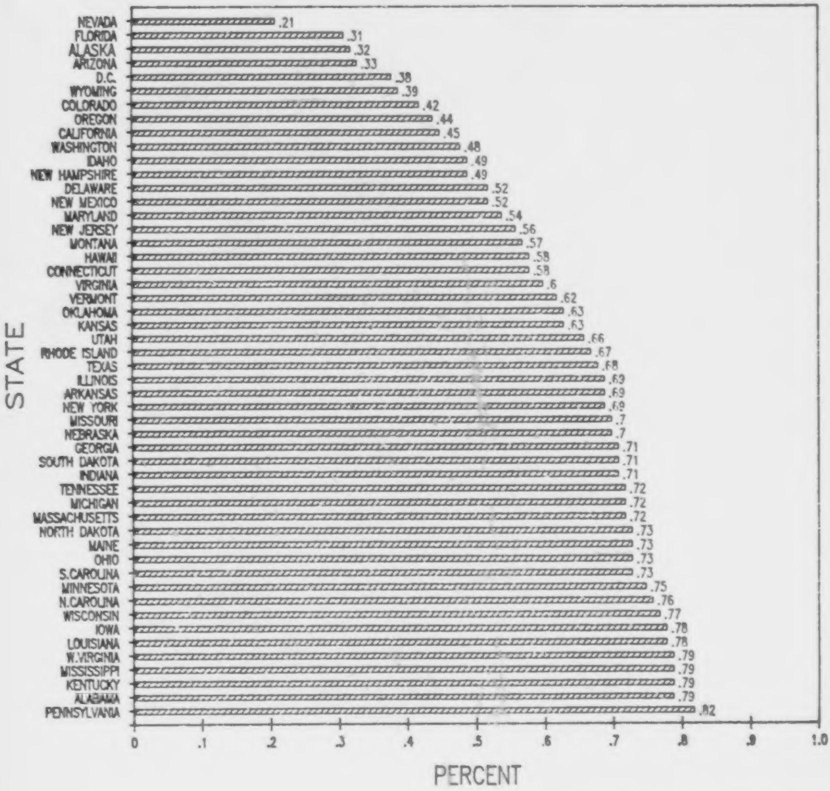
MEDIAN FAMILY INCOME FOR FOUR PERSON FAMILY BY STATE 1983



SOURCE:U.S.BUREAU OF CENSUS

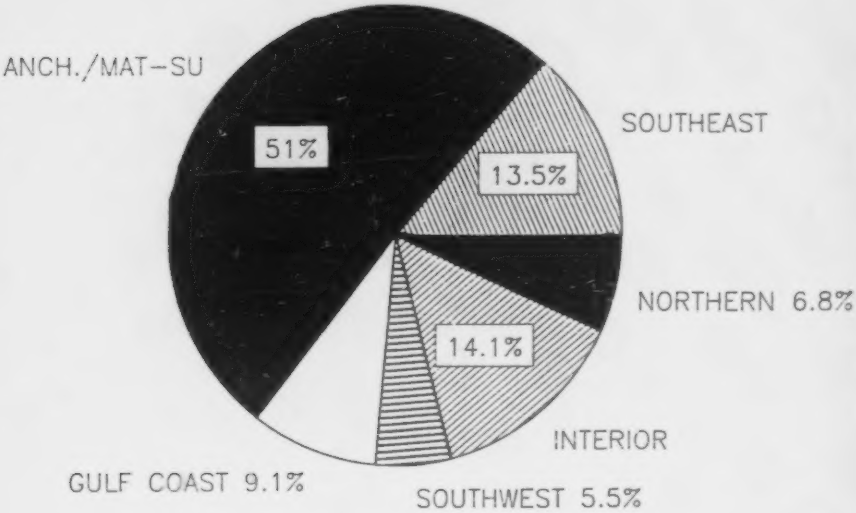
PERCENT OF TOTAL POPULATION BORN IN STATE OF RESIDENCE BY STATE

1980

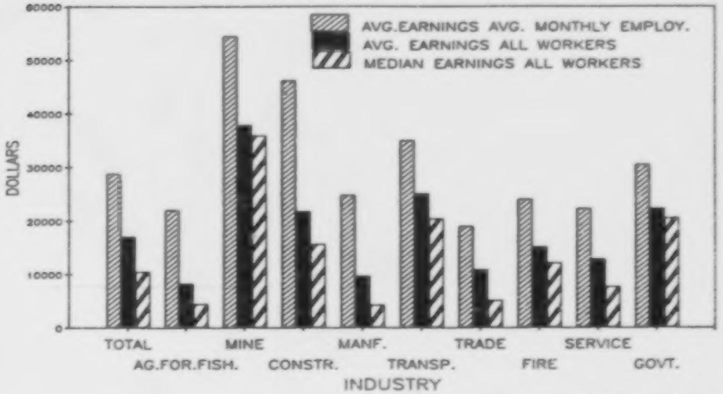


SOURCE:U.S.BUREAU OF CENSUS

WAGE AND SALARY EMPLOYMENT
BY LABOR MARKET AREA
ANNUAL AVERAGE
ALASKA 1983

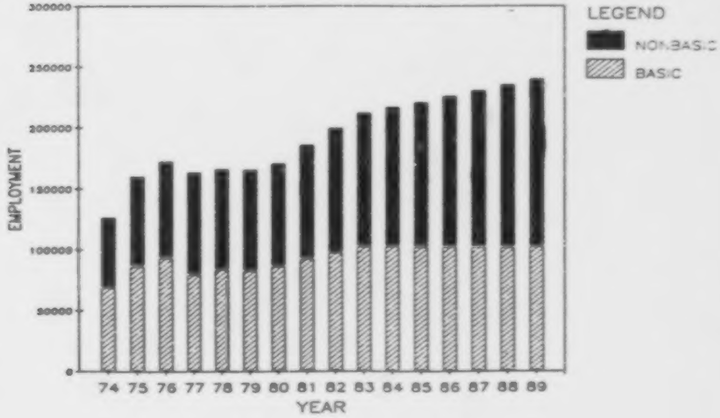


ANNUAL EARNINGS BY INDUSTRY
FOR AVERAGE MONTHLY EMPLOYMENT
AND ALL WORKERS
ALASKA 1983

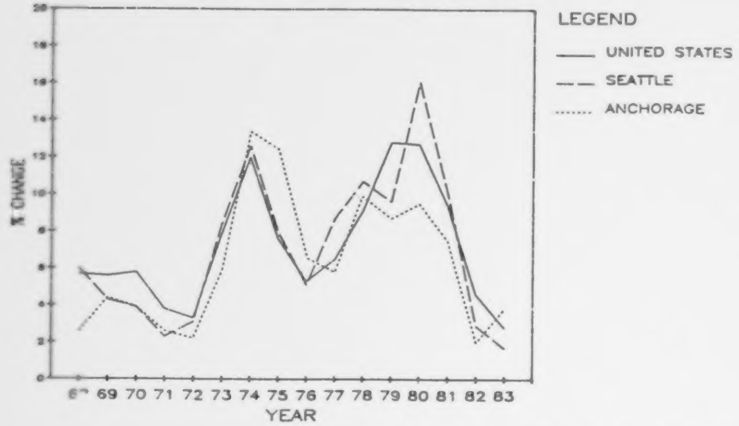


SOURCE:AK DEPT. OF LABOR

ANNUAL AVERAGE EMPLOYMENT
BASIC AND NONBASIC
HISTORICAL AND FORECAST
ALASKA 1974–1989

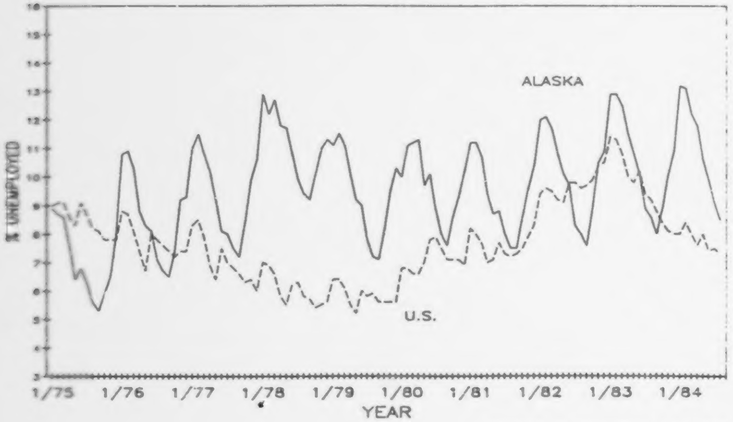


YEARLY CPI PERCENT CHANGE WAGE AND CLERICAL WORKERS ONLY 1967 TO PRESENT



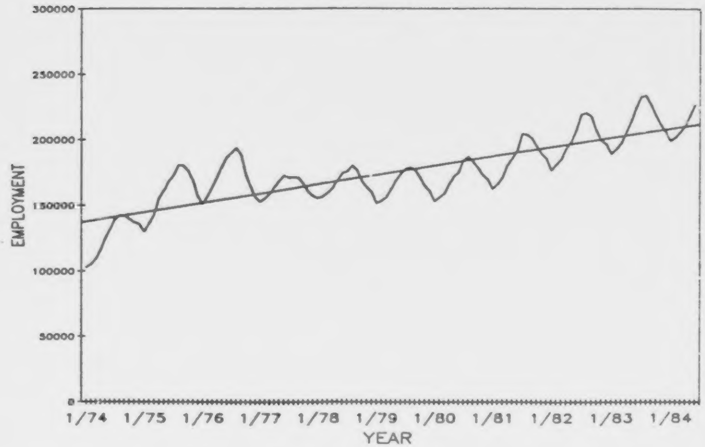
Source:U.S. Dept. of Labor, Bureau of Labor Statistics

UNEMPLOYMENT RATES NOT SEASONALLY ADJUSTED 1975 to Present

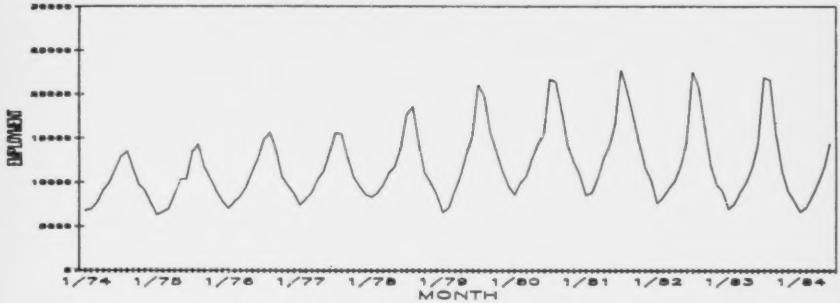


SOURCE: ALASKA DEPT. OF LABOR

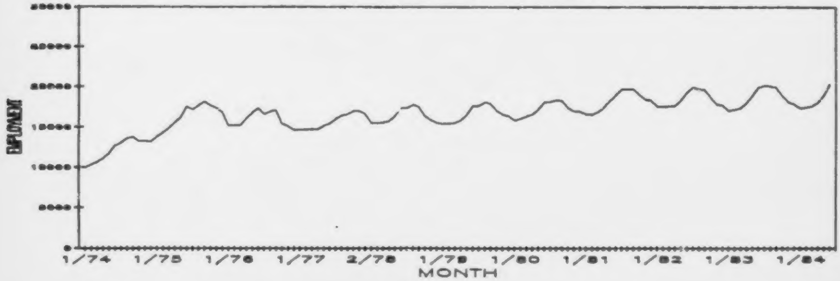
WAGE AND SALARY EMPLOYMENT
ALASKA
1974–1984



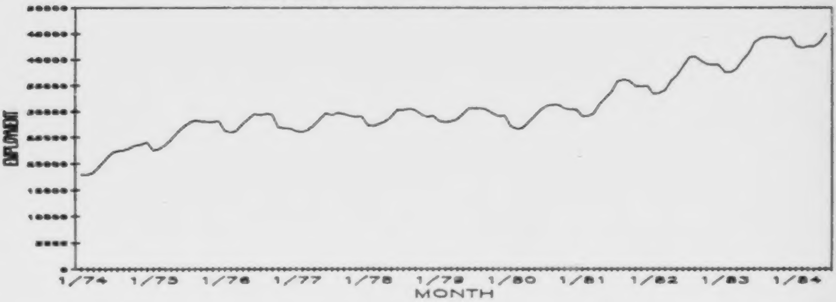
TOTAL MANUFACTURING EMPLOYMENT
BY MONTH
ALASKA 1974–1984



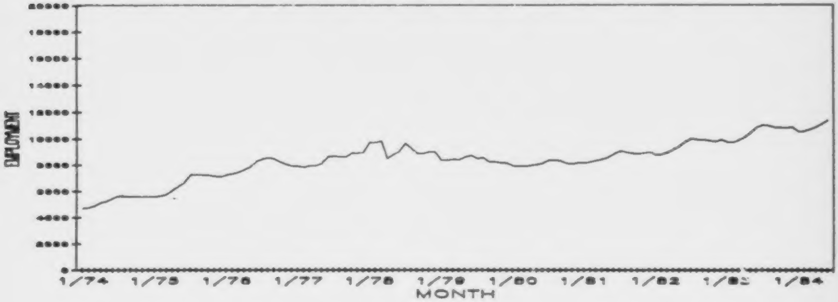
TRANSPORTATION, COMMUNICATIONS AND
PUBLIC UTILITIES EMPLOYMENT
BY MONTH
ALASKA 1974–1984



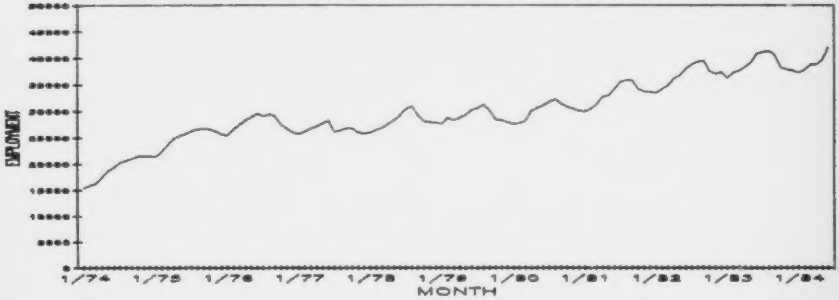
TOTAL TRADE EMPLOYMENT
BY MONTH
ALASKA 1974—1984



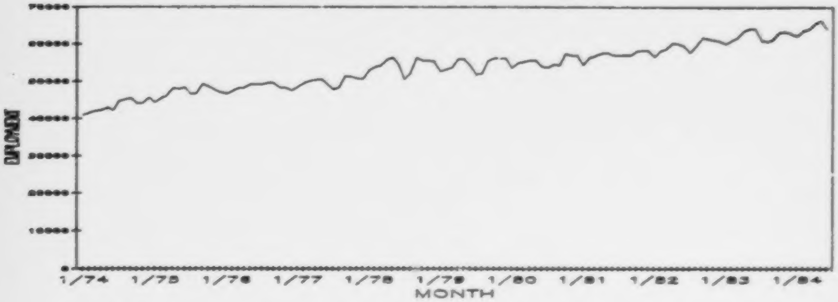
FINANCE, INSURANCE AND REAL ESTATE
EMPLOYMENT BY MONTH
ALASKA 1974—1984



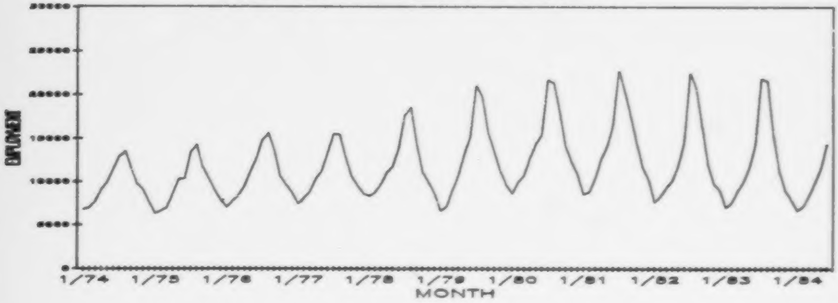
TOTAL SERVICES EMPLOYMENT
BY MONTH
ALASKA 1974—1984



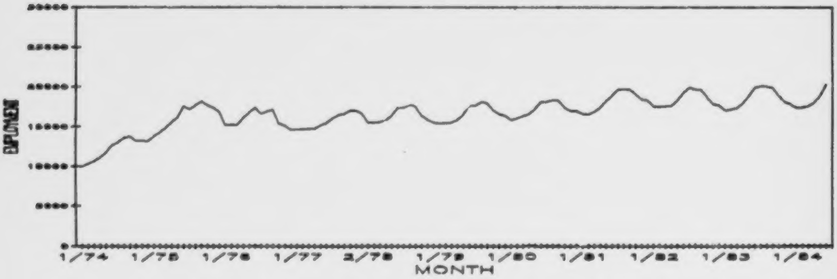
TOTAL GOVERNMENT EMPLOYMENT BY MONTH ALASKA 1974—1984



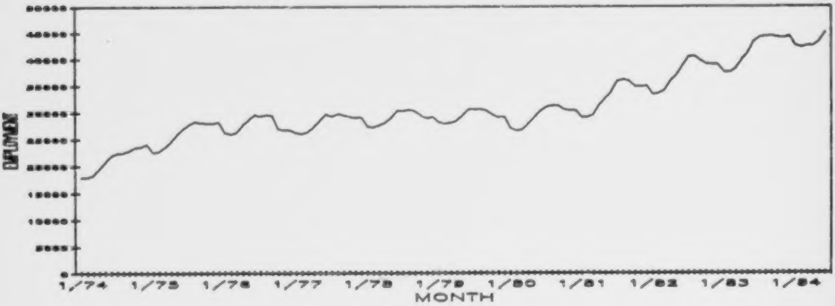
TOTAL MANUFACTURING EMPLOYMENT BY MONTH ALASKA 1974—1984



TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES EMPLOYMENT
BY MONTH
ALASKA 1974—1984



TOTAL TRADE EMPLOYMENT
BY MONTH
ALASKA 1974—1984



ALASKA

By Ed Eboch

September employment declined as seasonal changes occurred in several industries. Manufacturing and trade experienced the biggest drops in employment as the peak salmon season ended and the tourist traffic began its fall declines. Offsetting these drops somewhat was the increase in state and local government employment as the schools and colleges began the fall semester. The unemployment rate was 8.3%, a drop from the August rate but above last year's rate.

Construction

We have been drawing attention to an expected weak 1985 construction season after an exceptionally good 1983 and spring and summer 1984 construction employment periods. While the evidence is mixed, leading indicators appear to support conclusions of a downturn soon in construction employment. Housing units authorized through August of 1984 are well below the like period in 1983. Oil and gas exploration and development construction projects for 1984 and 1985 are anticipated to be well below the 1982/83 levels with recent declines in oil prices, state spending for capital projects in 1985 and 1986 is expected to remain at or below the levels of 1983/84.

According to Alaska's Department of Commerce and Economic Development, housing units authorized for construction are well below the number authorized in 1983 (Table I). The effect of the decline in housing units authorized will be felt later this year and next year. Only Fairbanks, of the major communities in Alaska, has had an increase in units authorized. This increase was more than offset by declines of over 50% in both Anchorage and Juneau.

Typically in a residential construction "boom", multiple housing units built exceed single family units built. The opposite occurs in a downturn. In 1983 Juneau, Fairbanks, and Anchorage had more multiple family units authorized than single family units (Table II). In 1984, this was reversed for both Juneau and Anchorage. Indicative of the tighter housing market in Fairbanks was the greater number of multiple family units authorized than single family units. Statewide the decline in units authorized was widespread, affecting most communities of any size (Table III).

The July Economic Report of Region X by the U.S. Department of Housing and Urban Development reported 1984 second quarter rental vacancy rates up considerably from the first quarter of 1984 and up from the same quarter a year ago for Alaska's major communities (Table IV). As can be seen, Fairbanks' rental vacancy rate is low enough that some growth in residential housing would be considered healthy for a growing

Table I
Housing Units Authorized
(By Building Permits)**

	Anchorage		Fairbanks		Juneau		Statewide*	
	1983	1984	1983	1984	1983	1984	1983	1984
Month								
January	189	114	2	0	27	8	233	157
February	773	278	5	1	2	11	817	334
March	1353	614	33	7	46	43	1548	714
April	1118	561	83	50	86	65	1451	799
May	1237	716	88	175	159	80	1642	1069
June	1265	478	287	373	182	57	1873	933
July	766	399	80	78	83	49	1078	620
August	1237	640	91	87	112	23	1572	851
Total	7938	3800	669	771	697	336	10214	5537

* Includes Anchorage, Cordova, Fairbanks, Homer, Juneau, Kenai, Ketchikan, Kodiak, Palmer, Petersburg, Seldovia, Seward, Sitka, Soldotna, Valdez, Wrangell.

** Total includes conversion.

Source: Alaska Housing Report, Office of Economic Analysis, Alaska Department of Commerce and Economic Development.

Table II
Housing Units Authorized
(By Building Permit)

Area	1st Eight Months	Single Family	Multiple Family	Mobile Homes	Total* Units
Anchorage	1983	2781	4959	164	7904
	1984	1991	1724	65	3780
Fairbanks	1983	250	417	1	668
	1984	207	560	1	768
Juneau	1983	133	544	12	689
	1984	193	136	6	335

* Excludes conversions.

Table III
Housing Units Authorized
(By Building Permits)*

	1st Eight Months		Percent
	1983	1984	Change
Anchorage	7938	3800	-52.1
Cordova	19	1	-94.7
Fairbanks	669	771	15.2
Homer	83	115	38.6
Juneau	697	336	-51.8
Kenai	160	112	-30.0
Ketchikan	261	99	-62.1
Kodiak	96	92	-04.2
Palmer	31	41	32.3
Petersburg	18	39	116.7
Seldovia	5	9	80.0
Seward	30	33	10.0
Sitka	46	33	-28.3
Soldotna	121	44	-63.6
Valdez	13	8	-38.5
Wrangell	27	4	-85.2
Statewide	10124	5537	-45.8

* Includes conversions.

community. The vacancy rate in Anchorage is great enough to suggest some correction can be anticipated in residential construction in the year ahead. With reports of excessive vacancy rates in commercial buildings as well, commercial related construction employment will also decline.

Although publicly awarded contracts were below last year's levels through July, according to *Alaska Construction and Oil* a surge in construction award activity in August and September pushed the total contracts awarded through the end of September this year to $696 million. This is 7% above the like period of 1983. However, most of this increase was in state and local government contracts awarded. (The reported contracts awarded do not include many private projects and has no estimate for petroleum related construction activities which are believed to be well below the levels of the past two years.) The major areas of increase through the end of August were in highway construction, up 61.5% and sewer and water, up 133.0% (Table V).

According to a study on the Economic Impacts of Capital Spending in Alaska (September 1984), by the Institute of Social and Economic Research, state capital projects would have accounted for less than one-third of construction related employment from 1982 through the first eight months of 1984. With little reason to believe that public capital spending will significantly increase and with petroleum related construction activities below the 1982/83 levels and pressure on residential and commercial construction activities, 1985 should result in declines in construction related employment in both relative and real terms.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 9/84	R 8/84	9/83	P 9/84	R 8/84	9/83	P 9/84	R 8/84	9/83	P 9/84	R 8/84	9/83
Alaska Statewide	248554	253784	239937	20663	21512	19158	8.3	8.5	8.0	227891	232272	220779
Anchorage-MatSu Region ...	129035	129078	121312	9233	9451	7935	7.2	7.3	6.5	119802	119627	113377
Anchorage	116598	116614	109344	7898	8073	6474	6.8	6.9	5.9	108700	108541	102870
Matanuska-Susitna	12437	12464	11968	1335	1378	1461	10.7	11.1	12.2	11102	11086	10507
Gulf Coast Region	28359	31716	27669	2385	2526	2742	8.4	8.0	9.9	25974	29190	24927
Cordova	1464	1615	1421	74	52	87	5.1	3.2	6.1	1390	1563	1334
Kenai	14678	16572	14416	1444	1699	1715	9.8	10.3	11.9	13234	14873	12701
Kodiak	6389	6954	6131	458	289	439	7.2	4.2	7.2	5931	6665	5692
Seward	2004	2293	1989	152	211	211	7.6	9.2	10.6	1852	2082	1778
Valdez	3824	4282	3712	257	275	290	6.7	6.4	7.8	3567	4007	3422
Interior Region	32694	33394	31932	3822	3989	3740	11.7	11.9	11.7	28872	29405	28192
Fairbanks	26739	27250	26165	3207	3283	3186	12.0	12.0	12.2	23532	23967	22979
Southeast Fairbanks	2649	2690	2529	288	286	224	10.9	10.6	8.9	2361	2404	2305
Upper Yukon	797	852	804	93	135	117	11.7	15.8	14.6	704	717	687
Yukon-Koyukuk	2509	2602	2434	234	285	213	9.3	11.0	8.8	2275	2317	2221
Northern Region	11209	11076	12033	923	992	850	8.2	9.0	7.1	10286	10084	11183
Barrow-North Slope	2972	2905	3240	197	185	224	6.6	6.4	6.9	2775	2720	3016
Kobuk	3535	3548	3748	343	419	278	9.7	11.8	7.4	3192	3129	3470
Nome	4702	4623	5045	383	388	348	8.1	8.4	6.9	4319	4235	4697
Southeast Region	34596	35138	34500	3379	3419	3037	9.8	9.7	8.8	31217	31719	31463
Angoon	456	501	466	43	81	50	9.4	16.2	10.7	413	420	416
Haines	1178	1164	1164	125	94	102	10.6	8.1	8.8	1053	1070	1062
Juneau	12471	12687	12441	1139	1173	1020	9.1	9.2	8.2	11332	11514	11421
Ketchikan	7615	7725	7199	1048	1053	581	13.8	13.6	8.1	6567	6672	6618
Outer Ketchikan	889	893	885	115	107	105	12.9	12.0	11.9	774	786	780
Prince of Wales	1576	1606	1700	132	138	244	8.4	8.6	14.4	1444	1468	1456
Sitka	4947	4992	5024	369	340	410	7.5	6.8	8.2	4578	4652	4614
Skagway	1627	1678	1787	100	127	248	6.1	7.6	13.9	1527	1551	1539
Wrangell-Petersburg	3837	3892	3834	308	306	277	8.0	7.9	7.2	3529	3586	3557
Southwest Region	12661	13382	12491	921	1135	854	7.3	8.5	6.8	11740	12247	11637
Aleutian Islands	3327	3490	3324	134	160	159	4.0	4.6	4.8	3193	3330	3165
Bethel	4100	4373	4033	365	477	331	8.9	10.9	8.2	3735	3896	3702
Bristol Bay Borough	466	467	444	45	27	26	9.7	5.8	5.9	421	440	418
Bristol Bay	1696	1756	1638	119	111	75	7.0	6.3	4.6	1577	1645	1563
Kuskokwim	1096	1191	1104	78	129	95	7.1	10.8	8.6	1018	1062	1009
Wade Hampton	1976	2105	1948	180	231	168	9.1	11.0	8.6	1796	1874	1780

P/=Preliminary 1983 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Table IV
Rental Vacancy Rates
As of July 1, 1984

	Current Quarter	Last Quarter	Same Quarter Year Ago
Alaska	5.4	3.7	3.2
Anchorage	12.0	9.0	5.9
Fairbanks	1.5	1.0	0.7

Source: Economic Report Region X, U.S. Department of Housing and Urban Development, Seattle Regional office.

Table V
Alaska
Publically Awarded Contracts
(Through August)

Categories	1984 to Date	1983 to Date
Airports	$18,345,787	$21,166,238
Electric Power	6,527,290	74,410,318
Highways	113,113,499	70,020,195
Industrial/Commercial Buildings	112,080,600	122,417,797
Marine	13,432,056	13,413,866
Military	57,739,633	72,348,046
Petroleum	—	—
Public Buildings	177,210,297	187,634,050
Sewer and Water	52,566,691	22,562,654
Miscellaneous	13,579,651	2,233,454
Total	$564,595,504	$586,206,618

Source: Alaska Construction and Oil, October, 1984.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/	R/		CHANGES FROM:	
	9/84	8/84	9/83	8/84	9/83
Nonag. Wage & Salary	234100	236100	227100	-2000	7000
Mining	8100	8200	8500	-100	-400
Construction	24000	24700	26200	-700	-2200
Manufacturing	15300	19000	15300	-3700	0
Food & Kindred Products	9300	13100	9300	-3800	0
Lumber & Paper Products	2800	2700	2900	100	-100
All Other Mfg.	3200	3200	3100	0	100
Trans. Comm. & Utilities	20300	20600	19800	-300	500
Trucking & Whseing.	2300	2600	2200	-300	100
Water Transportation	1600	1700	1700	-100	-100
Air Transportation	6200	6400	6100	-200	100
Other Trans. Comm. & Utilities	10200	9900	9800	300	400
Trade	45400	46300	44400	-900	1000
Wholesale	8600	8900	8300	-300	300
Retail	36800	37400	36100	-600	700
Gen. Merchandise & Apparel	5100	5400	5000	-300	100
Food Stores	6000	6000	5900	0	100
Eating & Drinking Places	13300	13500	12900	-200	400
Other Retail Trade	12400	12500	12300	-100	100
Fin.-Insurance & R. Estate	11400	11500	10900	-100	500
Services & Misc.	43600	43000	40600	600	3000
Government	66000	62800	61400	3200	4600
Federal	18400	18700	17900	-300	500
State	19800	18600	18100	1200	1700
Local	27800	25500	25400	2300	2400

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

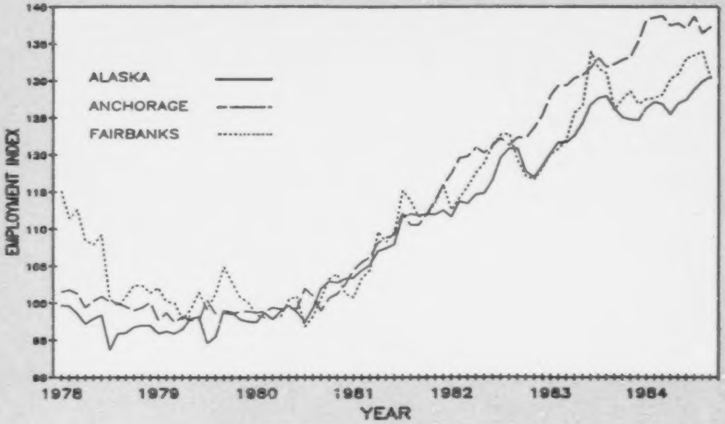
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P/ Denotes premilinary estimates.

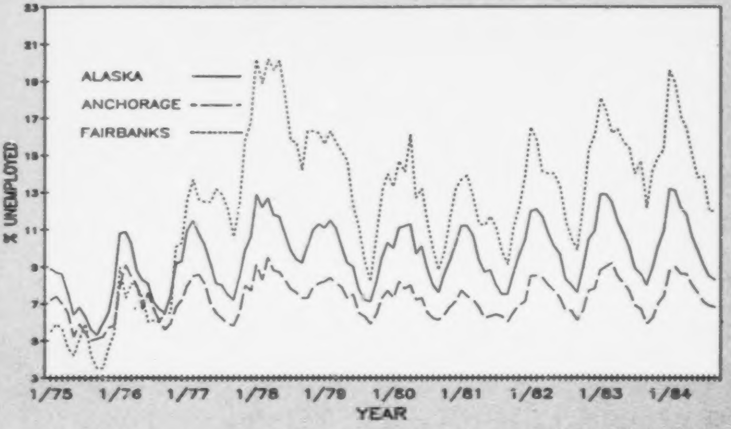
R/ Denotes revised estimates.

Composite Nonag. Employment Indexes
Seasonally Adjusted
1978 to Present



source: Ak. Dept. of Labor

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1975 to Present



source: Ak. Dept. of Labor

ANCHORAGE/MATSU

By Greg Huff

Census of Retail Trade: Part II
A Comparison Anchorage, Alaska and U.S.

This article is the second part of a two part series examining the 1982 Census of Retail Trade. Part I concentrated specifically on Anchorage retail trade characteristics and trends. Overall the examination found a changing and growing Anchorage retail trade industry. Part II will focus on comparisons between Anchorage, Alaska and the U.S. retail trade industries. A review of the 1982 Censuses of Retail Trade for the three areas reveal many similarities and differences in the composition of the retail trade industry and in the trends since the 1977 Censuses of Retail Trade.

Retail trade sales and employment in Anchorage grew twice as fast as they did in the U.S. from 1977 to 1982. Retail trade sales increased 87% in Alaska compared to the U.S. growth of 48%. A sharp contrast in the economic state of affairs between Alaska and the rest of the U.S. explains much of this difference. In 1982 Alaska was into its second year of rapid economic expansion while the U.S. economy was in a recession.

Alaska and Anchorage followed similar growth trends, but Anchorage surpassed the statewide expansion in employment by 7% and sales by 9%. Anchorage acts as a regional center as well as the center for much of the state. The share of retail trade establishments, sales, and employment Anchorage represents of the statewide total highlights this point. Anchorage had 43% of all retail trade establishments statewide but accounts for 56% of Alaska's retail sales and 52% of retail trade jobs (Table 1).

Reflective of a healthy and expanding economy, sales in the building materials, hardware and garden supply stores in Anchorage and statewide grew faster than any other sector. Conversely the same sectors nationally echoed a economy in recession. From 1977 to 1982 sales nationally grew 32% while in Anchorage sales grew 198%. Building materials, hardware and garden supply sales accounted for 4.8% of total retail sales for the U.S. in 1982 compared to 11.7% and 10.8% for Anchorage and Alaska. The result of the strong sales growth in Alaska was an increase of 600 new jobs statewide in this sector since 1977 with 400 of these new jobs in Anchorage. Sales per firm in Anchorage also grew substantially. This is a major reason Anchorage's building materials, hardware and garden supply establishments have nearly twice the number of employees per establishment as similar firms nationwide.

Nationally, statewide, and in Anchorage the general merchandise establishments, which include major department stores and variety stores, have

Table 1
1982 Retail Trade
Anchorage
As Percent of State

	Establishments	Sales	Employment
Total Retail Trade	43%	56%	52%
Building Supplies, Hardware, Garden Supply	38%	60%	50%
General Merchants	15%	70%	64%
Food Stores	31%	43%	41%
Automotive and Recreational Vehicles	42%	65%	58%
Gasoline Stations	56%	58%	43%
Apparel Stores	50%	65%	64%
Furniture, Home Furnishings & Equipment Stores	54%	66%	65%
Eating and Drinking	41%	54%	54%
Drug Stores	41%	63%	50%
Miscellaneous Retail Stores	45%	48%	50%

Source: 1982 Census of Retail Trade, Alaska. U.S. Department of Commerce, Bureau of Census.

the highest ratio of sales per business within the retail trade industry. Anchorage general merchandise establishments averaged $12 million in sales per establishment in 1982 while statewide general merchandise establishments averaged $3.8 million in sales and U.S. general merchandise establishments averaged $3.5 million in sales. In Anchorage the general merchandise stores retain an average of 130 employees per store compared to 31 statewide and 54 nationally. Anchorage group merchandise stores make up only 15% of total general merchandise establishments statewide but account for 70% of total sales and 64% of total employment.

Food store sales represent the single largest share of total retail sales in Anchorage, Alaska and the U.S. However, Anchorage consumers spend proportionately less of their retail dollar on food at grocery stores than they do nationally. Food stores sales in 1982 represented 22% of total retail sales nationally versus 17% for Anchorage. Does this mean Anchorage residents eat out more? When comparing the percent distribution of sales at eating and drinking establishment between the U.S. and Anchorage this certainly seems to be the case. On average, eating and drinking sales account for 12.3% of all retail sales in Anchorage compared to 9.7% nationally. This may be the result of higher personal income of Anchorage residents or an indication that a greater percent of income is spent on retail sale items outside the state.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R/		CHANGES FROM:	
	9/84	8/84	9/83	8/84	9/83
Nonag. Wage & Salary	113800	114150	109600	-350	4200
Mining	3550	3500	3700	50	-150
Construction	11550	11800	11550	-250	0
Manufacturing	2850	3200	2750	-350	100
Food & Kindred Prod.	600	950	600	-350	0
Other Mfg.	2250	2250	2150	0	100
Trans. Comm. & Utilities	9400	9700	9000	-300	400
Trucking & Whseing.	1250	1350	1200	-100	50
Water Transportation	350	400	400	-50	-50
Air Transportation	3850	4000	3700	-150	150
Other Trans. Comm. & Utilities	3950	3950	3700	0	250
Trade	27900	27950	26500	-50	1400
Wholesale	6350	6400	6000	-50	350
Retail	21550	21550	20500	0	1050
Gen. Merchandise	1800	1800	1750	0	50
Food Stores	2950	2900	2500	50	450
Eating & Drinking Places	8200	8250	8050	-50	150
Other Retail Trade	8600	8600	8200	0	400
Fin.-Insurance & R. Estate	7800	7950	7300	-150	500
Services & Misc.	24750	24850	24050	-100	700
Government	26000	25200	24750	800	1250
Federal	10200	10450	9950	-250	250
State	6700	6150	6150	550	550
Local	9100	8600	8650	500	450

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R/		CHANGES FROM:	
	9/84	8/84	9/83	8/84	9/83
Nonag. Wage & Salary	120200	120350	115250	-150	4950
Mining	3550	3550	3700	0	-150
Construction	12350	12700	12500	-350	-150
Manufacturing	3000	3350	2900	-350	100
Trans. Comm. & Utilities	10000	10200	9550	-200	450
Trade	29150	29250	27750	-100	1400
Fin.-Insurance & R. Estate	8200	8300	7550	-100	650
Services & Misc.	25600	25700	24950	-100	650
Government	28350	27300	26350	1050	2000

Eating and drinking places represent 28% of total establishments in Anchorage compared to 24% nationwide. Anchorage eating and drinking places employ 40% of all Anchorage retail employees. This exceeds the national share by 8 percentage points. The number of employees per establishment is greater in Anchorage than nationally as well; 14.5 employees per establishment for the U.S. compared to 20.6 for Anchorage. Americans overall have been increasing the amount they eat out. The percent share sales of eating and drinking places represent of total retail sales has increased from 7.9% in 1972 to 9.7% in 1982. Sales for eating and drinking places as a percent of total retail sales declined in Alaska and Anchorage from 1977 to 1982, but 1982 is higher than in 1972. The 1977 census results reflect the effects of pipeline era wages and workers.

Next to food store expenditures; Americans, including Alaskans, spend more of their retail dollar on automotive and recreational vehicle needs than on any other retail sector. Alaskans, though, spend a smaller part of their retail dollar on those expenditures than other Americans. Automotive and related sales account for 13% of total retail trade sales statewide and 15% in Anchorage in contrast to the U.S. proportion of 18%. When service station sale are included the portion of total retail sales the automotive and recreation vehicles represent increased to 27% for the U.S., 22% for Anchorage and 20% for Alaska. Anchorage represents 65% of all automotive and related sales in the state but represents only 42% of establishments

Table 2
Retail Trade
Sales

	Anchorage		Alaska		U.S.	
	1982 Sales ($100,000)	Percent Change 1977-1982	1982 Sales ($100,000)	Percent Change 1977-1982	1982 Sales ($100,000)	Percent Change 1977-1982
Total Sales	1,769	87%	3,152	78%	1,033,727	48%
Building Materials, Garden Supplies	207	198%	340	131%	49,940	32%
Gen. Merchandise	232	64%	334	51%	119,301	37%
Food Stores	296	44%	692	65%	240,408	57%
Automotive & Rel.	268	76%	410	75%	187,843	28%
Gasoline Stations	118	134%	205	110%	94,820	80%
Apparel Stores	83	102%	127	90%	57,180	58%
Furniture & Equip. Stores	85	139%	128	130%	45,098	42%
Eating and Drinking Places	217	75%	403	62%	100,794	64%
Drug Stores	84	72%	136	69%	35,777	34%
Misc. Retail	180	115%	374	85%	102,565	59%

Source: 1982 Censuses of Retail Trade, Alaska: 1982 Census of Retail Trade, United States, Preliminary Report Summary Series.

Table 3
Retail Trade
Employment

	Anchorage		Alaska	
	1982	Percent Change 1977-1982	1982	Percent Change 1977-1982
Total Employment	15,800	22%	30,020	15%
Building Materials, Garden Supplies	842	105%	1,684	59%
General Merchandise	1,697	-18%	2,674	-38%
Food Stores	2,003	20%	4,838	33%
Automotive and Related	957	3%	1,649	9%
Gasoline Stations	526	-8%	1,219	5%
Apparel Stores	787	25%	1,235	18%
Furniture and Equipment Stores	677	74%	1,035	65%
Eating and Drinking Places	6,309	46%	11,728	19%
Drug Stores	434	-6%	870	8%
Miscellaneous Retail	1,568	24%	3,088	16%

Source: 1982 Census of Retail Trade, Alaska: 1977 Census of Retail Trade, Alaska.

statewide. Another indicator of Anchorage's position as Alaskas main commercial center. The retail automotive sector was hard hit by the recession in the lower 48 in 1982. Sales increased 28% over the five year period while employment fell 7%. Meanwhile vehicle sales and supplies in Anchorage and Alaska grew the U.S. growth 75% over this period.

Apparel stores in Anchorage and Alaska comprise a smaller proprortion of firms, sales and employment than such stores do nationally. In addition apparel establishments are generally smaller in Alaska with less employees per business but with average sales per establishment greater in Alaska and Anchorage. Sales growth in the furniture, home furnishings and equipment stores ranked second among the various retail sectors for Anchorage, Alaska and the U.S. The rate at which Anchorage and Alaska furniture, home furnishings and equipment stores grew, was twice as fast as the U.S. rate. Anchorage's retail trade is concentrated more heavily in those retail trade sectors that can act as a certain retail trade sector because of Anchorage's role as a distribution center.

In summary, the examination of the Retail Trade Censuses for Alaska, Anchorage and the United States reveal that the different economic conditions that prevailed explain some of the difference in the makeup of the retail trade sector. The Alaska Census result reflected a rapidly expanding economy While the U.S. Census echoed an economy in recession. Also found in the examination were the simalarities and difference in the structure of the retail trade sector in a mature U.S. economy versus that of a growing and maturing Alaskan economy with Anchorage as the leading commerce center.

FAIRBANKS/INTERIOR

By Neal Fried

Military's Presence Expands in Fairbanks

Over the years, a number of very visible economic events have helped shape Fairbanks' history. They have included the discovery of gold, the establishment of military bases, and the construction of the oil pipeline and subsequent oil development. All of these events have made substantial contributions to Fairbanks' economic base and have been responsible for continued employment growth. As a result of these events, Fairbanks has become the regional center for commerce, transportation and state and federal government service for the northern and interior sections of the state.

During the past decade the number of soldiers in Fairbanks has been fairly stable, remaining at the 2,500-2,800 level, with some spurts of expansions beyond the 3,000 level during 1977-78. Recently, Eielson AFB added a squadron and within a year, the military will begin to relocate an additional 2,000-2,500 soldiers to Ft. Wainright. Most of the troops are expected to be in place by the end of 1987. Presently, there are 2,700 soldiers and 980 civilians (580 wage rate and GS personnel with the balance NAF/EXCHANGE/PDO personnel) stationed and working on Ft. Wainwright. This means Ft. Wainwright's uniformed military strength will approximately double.

The military's presence as a share of Fairbanks' population and economy had been declining. In 1970, the uniformed military (Army and Air Force) made up 18% of Fairbanks' population; in 1983, it was half this figure. Oil development and Fairbanks' expanding role as a regional center have chipped away at the proportional importance of the military to the economy. Even with the additional troops, their proportional share will not return to the 1970 level, but will be closer to 10-12% of the population.

It is difficult to quantify what effect this event will have on the Fairbanks economy because it will not be happening in an isolated environment separate from the dynamic workings of the remainder of the economy. There is also a lack of data and some uncertainty of the magnitude of this move. [No one is yet sure exactly how many soldiers will be stationed at Ft. Wainwright or the number of civilian jobs.] However, the Army has announced that the civilian payroll would grow by approximately $2.5 million, which would suggest approximately 100 additional full-time civilian jobs.

The military's economic impact is quite different from other basic industries. A military base is largely self-sufficient and therefore almost entirely insulated from the local economy. Housing, shopping facilities,

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P	R		CHANGES FROM:	
	9/84	8/84	9/83	8/84	9/83
Nonag. Wage & Salary	29700	29700	28650	0	1050
Mining	350	350	350	0	0
Construction	3950	4050	3950	-100	0
Manufacturing	600	650	650	-50	-50
Trans. Comm. & Utilities	3100	3050	2900	50	200
Trucking & Whseing.	500	500	450	0	50
Air Transportation	750	750	700	0	50
Other Trans. Comm. & Utilities	1850	1800	1750	50	100
Trade	5900	6000	5850	-100	50
Wholesale	1000	1000	900	0	100
Retail	4900	5000	4950	-100	-50
Gen. Merchandise & Apparel	400	400	400	0	0
Food Stores	750	800	750	-50	0
Other Retail Trade	3750	3800	3800	-50	-50
Fin.-Insurance & R. Estate	1000	1000	950	0	50
Services & Misc.	5550	5850	5350	-300	200
Government	9250	8750	8650	500	600
Federal	2650	2750	2550	-100	100
State	3850	3600	3500	250	350
Local	2750	2400	2600	350	150

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P	R		CHANGES FROM:	
	9/84	8/84	9/83	8/84	9/83
Nonag. Wage & Salary	32900	33650	32600	-750	300
Mining	550	550	500	0	50
Construction	4050	4150	4000	-100	50
Manufacturing	650	700	700	-50	-50
Trans. Comm. & Utilities	3850	3800	3700	50	150
Trade	6250	6500	6350	-250	-100
Fin.-Insurance & R. Estate	1100	1100	1050	0	50
Services & Misc.	5950	6300	5750	-350	200
Government	10500	10550	10550	-50	-50

day care, medical services, and a host of other services are provided on base. Only 14% of Ft. Wainwright's present uniformed population lives off base. The average military paycheck is smaller than Fairbanks' average. However the civilians' average earnings are closer to the Fairbanks average and most of their paychecks will be spent in the local economy. All these factors need to be considered when assessing the economic and employment impact of these new troops.

Doubling the number of troops means an increase in demand for housing in the community. While the Army is planning to build housing on post to accommodate this expansion, there will be a delay. This will mean increased demand for housing off base and demand for contractors to construct housing on base.

Military personnel spend a portion of their incomes on goods and services in the local economy, boosting the secondary industries. The overall operations on the base (outside of housing) will also expand, creating a demand for construction and goods and services. The extent of increased employment besides the direct employment of civilians on base is difficult to estimate. Employment multipliers for the military vary from 1.2 to 2.4. A conservative estimate would put this figure anywhere between 500-1,000 additional jobs in the community. In the long run, when construction is complete, these jobs will be largely non-seasonal, providing more stability to Fairbanks' labor market.

GULF COAST

By Neal Fried

Cordova's Employment 1980-1984

Cordova's employment statistics during the past four years are far from impressive. The state and most of its regions have experienced remarkable gains each year while Cordova's employment picture has remained stagnant. There was a spurt of employment growth in Cordova in 1981, but since that time small gains and losses have occurred. It is surprising that Cordova's employment has not grown given the state's largess which has provided funds to communities throughout the state during the past four years. What makes Cordova one of the few communities which has missed participating in these years of economic prosperity?

Cordova is largely a one industry town. Fishing, the major industry, has not been performing well. The nonagricultural wage and salary employment statistics found in the tables below are not necessarily a good indicator of this because they exclude the fish harvesting employment and value of the catch. In Tables I and II the fishing employment is found under manufacturing, which represents the fish processing end of the industry. There are no employment numbers specifically for Cordova's fish harvesting employment, but there are estimates for the Prince William Sound area. Adjusting these numbers to estimate the fish processing employment for Cordova would indicate an annual average fisheries related employment of 800 or more and a peak of nearly 2,000 during the summer season. These statistics alone indicate the fishing industry's importance in Cordova's economy. Without this industry most if not all other employment in the community would not exist.

Fish processing employment did peak in 1981 at an annual average of 381 but has dropped back in 1983 to the 280-290 level. This may partially explain why total employment has moved little during the past three years. The volume and value of the shell fishery (king crab and shrimp) has been falling precipitously since 1981. The salmon fishery, volume-wise, has had good years since 1981, but the value of this fishery has fallen, and therefore the income to fishermen has declined during the past three years. Salmon fishing employment remained strong during these years because the fishermen, despite falling prices, had to fish to earn what income they could and the fish had to be processed. This drop in income has meant that most of Cordova's industries dependent on this income stream have budged little. Trade and some of the other secondary industries' employment did grow through 1982, but they have either remained stable or declined in subsequent years.

Employment in the construction industry has remained largely unchanged over the past four years despite increased public construction dollars. Residential construction peaked in 1980 with 68 permits but has fallen to new lows in 1984. Through August of 1984 only one permit has been issued in Cordova.

Though Cordova has not been enjoying the economic prosperity seen in much of the remainder of the state , without the increased flow of state dollars into the local economy, employment may have declined instead of stagnated. Low interest loans, increased state funding to local government and school districts for operating and capital costs, and permanent fund dividends have helped keep employment from falling dramatically in Cordova. However, this increased funding has not been enough to make up for the shortfalls in the fishing industry and probably never will. Cordova's employment picture will not likely change until there is a turnaround in the Cordova fishing industry.

Table I
Cordova-McCarthy 1/
Annual Average Nonagricultural Employment
1980-1983

	1980	1981	1982	1983
Total	1068	1235	1296	1277
Mining	•	•	•	•
Construction	•	22	29	26
Manufacturing	277	381	280	295
Transportation	116	181	256	242
Trade	•	•	•	184
Wholesale	•	•	•	22
Retail	130	135	177	162
Finance, Insurance & Real Estate	116	181	256	242
Services	118	111	128	130
Government	292	318	326	328
Federal	36	44	39	36
State	82	88	89	89
Local	174	186	198	203
Miscellaneous	•	•	•	•

• Nondisclosable

1/ Though these employment statistics are for the Cordova-McCarthy census area, more than 95% of this employment is found in Cordova.

Table II
Cordova-McCarthy 1/
Nonagricultural Employment
1st Quarter Average
1983-1984

	1983 Qtr. 1	1984 Qtr. 1
Total	984	913
Mining	•	•
Construction	9	33
Manufacturing	104	64
Transportation	232	204
Trade	135	117
Wholesale	7	5
Retail	128	112
Finance, Insurance & Real Estate	21	23
Services	127	116
Government	323	327
Federal	33	28
State	83	85
Local	207	214
Miscellaneous	•	•

• Nondisclosable

1/ 1st quarter 1984 is the most recent data available for the Cordova-McCarthy census division.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P/ 9/84	R 8/84	9/83	CHANGES FROM: 8/84	 9/83
Nonag. Wage & Salary	22250	25000	21600	-2750	650
Mining	700	700	700	0	0
Construction	2500	2800	2500	-300	0
Manufacturing	3950	6550	3750	-2600	200
Food & Kindred Prod.	3200	5800	3000	-2600	200
All Other Mfg.	750	750	750	0	0
Trans. Comm. & Utilities	2300	2450	2550	-150	-250
Trade	3550	3700	3500	-150	50
Wholesale	600	600	600	0	0
Retail	2950	3100	2900	-150	50
Fin.-Insurance & R. Estate	500	550	500	-50	0
Services & Misc.	3450	3500	3250	-50	200
Government	5300	4750	4850	550	450
Federal	600	550	550	50	50
State	1650	1550	1400	100	250
Local	3050	2650	2900	400	150

SOUTHEAST ALASKA

By John Boucher

Southeast Alaska nonagricultural wage and salary employment decreased by 500 jobs in September to 31,600, a 1.5% decline in the number of jobs in the region. The decline was spread across nearly every industry, but the biggest declines came in manufacturing, trade and transportation employment. Manufacturing employment decreased by 650 jobs over the month due to the end of the salmon season. One bright spot in manufacturing during September was the reopening of a pulp mill in Ketchikan after being down for the previous two months.

Construction employment in Southeast declined slightly in September, largely due to a decrease in heavy construction related activity. Part of the downturn could be attributed to the stop work order placed on the parking garage project for the City and Borough of Juneau. Building and special trades construction did not experience any drop which was somewhat surprising given the apparent excess capacity in both the commerical and residential real estate markets in the capital city.

Transportation employment declined by 100 jobs over the month as the water and air transportation sectors decreased employment from their August levels. Both of these industries tend to reach their highest levels in mid-summer and then taper off as winter approaches. Water transportation tends to fluctuate in response to construction and forest products industry activity while air transportation employment fluctuates in response to tourism related activity. Transportation will probably continue to experience small declines as tour bus operators, boat charters, and other visitor related transportation activities enter their slow season.

Government and services were the only two industries to experience growth in employment during the month. Both the increase in government and services employment were related to the beginning of the new school year. Private educational services not administered by local governments which are categorized under services employment increased over the month. Meanwhile public school districts and the University of Alaska, which are categorized under local and state government respectively, also increased employment in September.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	P/ 9/84	R/ 8/84	9/83	8/84	9/83
Nonag. Wage & Salary	31600	32100	31300	-500	300
Construction	2350	2400	2700	-50	-350
Manufacturing	4100	4750	4200	-650	-100
Food & Kindred Prod.	1600	2450	1600	-850	0
Lumber & Paper Prod.	2250	2050	2350	200	-100
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2300	2400	2350	-100	-50
Trade	5000	5200	4900	-200	100
Wholesale	450	500	500	-50	-50
Retail	4550	4700	4400	-150	150
Fin.-Insurance & R. Estate	1050	1050	1000	0	50
Mining, Services & Misc.	4850	4800	4550	50	300
Government	11950	11500	11600	450	350
Federal	2300	2350	2400	-50	-100
State	5500	5450	5250	50	250
Local	4150	3700	3950	450	200

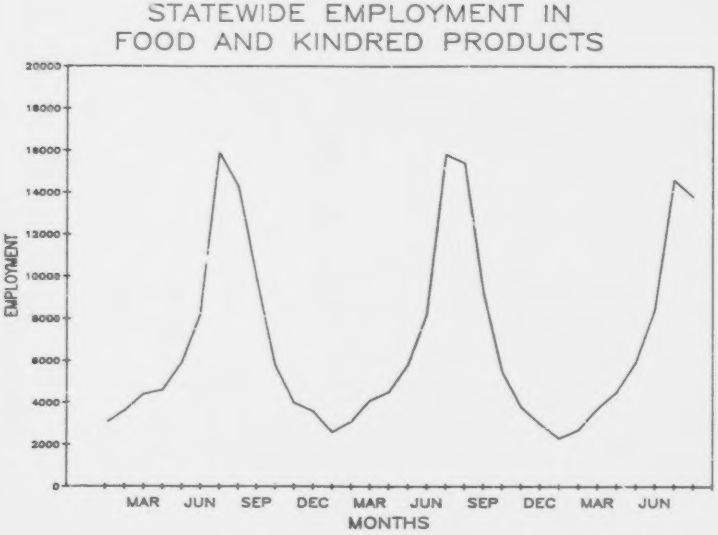
HOURS AND EARNINGS

By Kathleen Thomas

Fish and seafood processing, the major component of the food and kindred products sector of manufacturing, is characterized by intense spurts of activity in the summer months. Employment jumps, average weekly hours worked move up, but average hourly earnings decrease. The decrease in average hourly earnings is attributed to hiring of lower paid temporary employment during the summer months.

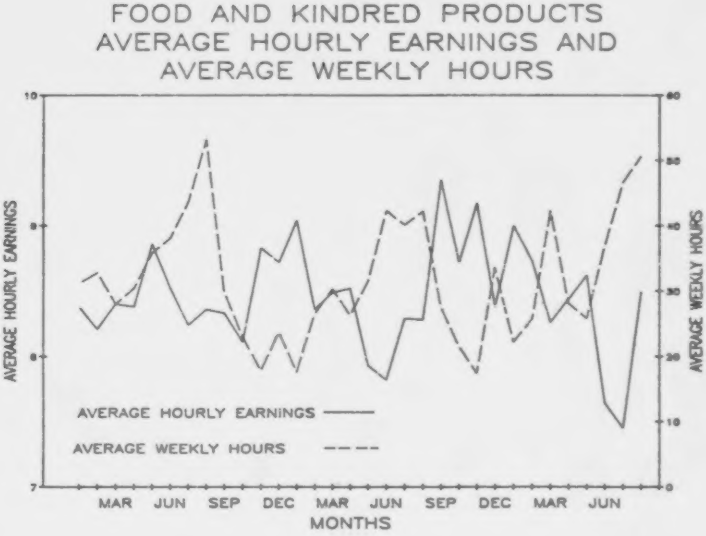
As can be seen in Figure 1, peak employment occurs during the months of July and August reaching a level of 14,000 to 16,000 employees. The highest peaks in average weekly hours also occur during the summer months, mainly July and August, as fishing activity increases. By examining Figure 2, which compares average hourly earnings with average weekly hours, it can be seen that average hourly earnings drop when average weekly hours increase. The lowest average hourly earnings occur in the summer when employment in fish harvesting employment is greatest. Conversely, for food and kindred products the lowest average weekly hours and the highest average hourly earnings occur in the winter, mainly during the November, December, and January period when fishing activity is at its lowest.

Figure 1



The only other industry with dramatic changes is wholesale trade, where average hourly earnings have increased 13% over last year's level. As mentioned in the October issue of *Alaska Economic Trends,* the sample for the July 1984 average weekly earnings and average hourly earnings increased dramatically, thereby affecting average hourly earnings estimates.

Figure 2



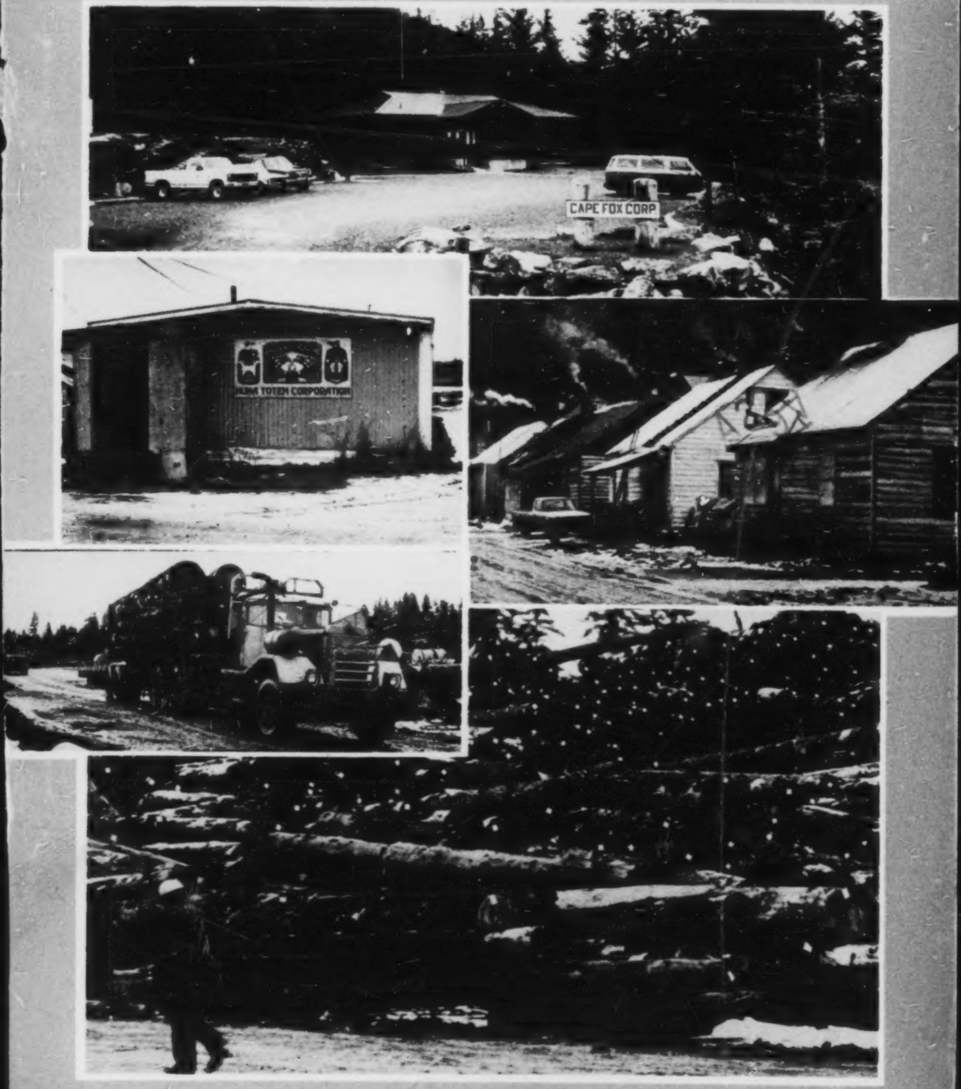
12/27/84

S0320-1 A

DECEMBER 1984

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska


CAPE FOX CORP
HUNA TOTEM CORPORATION

1 Village Native Corporations

ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

December 1984
Volume 4
Issue 12

CONTENTS

Village Native Corporations 1

Alaska 9
Anchorage/Matsu 12
Fairbanks/Interior 18
Gulf Coast 22
Southeast 25
Hours and Earnings 30
Labor Force By Region and Census Division .... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P Denotes preliminary estimates.

R Denotes revised estimates.

VILLAGE NATIVE CORPORATIONS

By Ed Eboch

While receiving less attention than Alaska's regional Native corporations the Alaska village Native corporations have matched the success of their better known contemporaries. Created by the Alaska Native Claims Settlement Act (ANCSA), in settlement of the aboriginal claims of the Alaska Native Indians, Aleut, and Eskimo population, the village Native corporations have begun to play an important role both economically and socially in Alaska's rural areas. From the evidence to date their impact on Alaska's economic, political, and social structures has just begun. As both the village and regional Native corporations grow and expand they will continue to make an important contribution to Alaska's future.

This article will address the benefits of ANCSA to Alaska Native business ownership and employment with concentration on the village Native corporations and an overview of both the village and regional corporations. For a more detailed discussion of the regional corporations and ANCSA see the June 1984 issue of *Alaska Economic Trends* (reprinted in the August issue of *Alaska Native News* magazine).

Village Corporations

Village corporations vary widely in size. A minimum of 25 shareholders was required under ANCSA to incorporate but the largest village corporations have over 2,000 shareholders. Each corporation, to protect the interests of their shareholders, has different goals and expectations. With different resources and opportunities available the performance of the village corporations has not been uniformly successful. Some have substantial timber resources on their land while others are without such resources. A few have substantial urban land which has significant value for development. Those corporations with valuable resources on their land have tended to perform better than the resource poor corporations.

Village corporations are autonomous organizations although they are still tied to the regional corporations for oversight and assistance. The cash and land settlement was determined by the number of shareholders. Small village corporations with little land resources have little capital to fall back on in difficult times. The number of village corporations started at 224 but mergers and consolidations have reduced the number to 172. Because the amount of cash and land received was based on the number of shareholders many smaller corporations merged in an effort to survive.

There were many problems associated with the early organization of the village corporations that slowed their development and impeded success. Eligibility and enrollment, land selection, village-regional relationships, as well as numerous other issues had to be addressed before the village, corporations could concentrate on developing a successful and profitable local corporation.

Alaska village Native corporations are currently involved in every industry sector except mining. Business activities range from village stores to major hotels in Alaska's larger communities; from construction (including oil and gas related construction) to manufacturers (fish processing, logging and sawmills); and includes all types of services from fuel delivery service and veterinary service to air cargo and passenger service. While their activities tend to be concentrated in the rural communities with the main beneficiary of these activities the local community, the village corporations also have taken advantage of other opportunities. Besides investing in hotels in larger communities they are actively engaged in tourism and personnel, engineering and social services. Because ANCSA assigned subsurface rights of land selected by the village corporations to the appropriate regional corporation it is unlikely that mining activities will be associated with the village corporations.

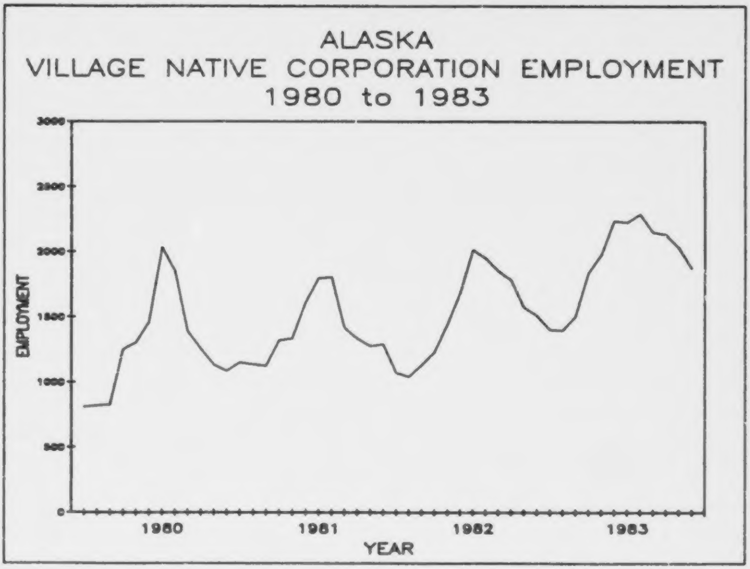
Employment Profile

The village Native corporations' employment indicates the diversity of activities as well as the dispersion of employment around the state. Many, if not most, of the businesses operated by the village corporations are located in smaller communities. The village corporations have not, however, ignored investment opportunities in the larger communities as is evident by their ownership of businesses located or based in Juneau, Fairbanks, and Anchorage. Many of the businesses, while located in the larger metropolitan communities, are providing a service, such as air service, to the village communities.

An analysis of the firm data confirms that the village corporations are, for the most part, relatively small. For the month of March 1984 only one firm had over 100 employees. The largest firm in Southwest Alaska, the area with the largest total village Native corporation employment, had a total of only 31 employees during March 1984.

Firms in the Gulf Coast region had the greatest variability in employment with the largest firm having only 14 employees in March 1984 but with a different firm having over 100 employees in one month in 1983. During all of 1983 only three firms had employment that peaked at 100 employees or more, one each in Anchorage/Mat-Su, Gulf Coast, and Southeast region.

The peak employment by a single firm in 1983 in the other regions was 65 in the Northern region, 58 in the Fairbanks/Interior region, and 46 in the Southwest region. The 1984 first quarter peak employment for a single


ALASKA
VILLAGE NATIVE CORPORATION EMPLOYMENT
1980 to 1983

firm was 47 in the Northern region, 66 in the Fairbanks/Interior region, and 31 in the Southwest region. Interestingly, different firms had the peak employment in four of the six regions for the first quarter 1984 versus the 1983 year.

The Southwest region not only averaged the greatest village Native corporation employment of all the regions over the period but also had the greatest number of individual businesses (76) with reported employment in March of 1984. Anchorage/Mat-Su had both the smallest number of businesses (12) as well as the lowest annual average employment. The number of firms with employment in the other regions as of March 1984 were 36 in the Northern region, 36 in the Fairbanks/Interior region, 20 in the Gulf Coast region, and 20 in the Southeast. While the Southeast region was very close to the Southwest region in average annual village Native corporation employment it had many less businesses. The greater employment totals in the Southeast are partly a result of investments in Alaska's capital city. More than any other of Alaska's major communities, Juneau has been a beneficiary of investments by village Native corporations.

While it appears that the finance, insurance and real estate industry was the major area of activity for the village corporations this is misleading. As the Native corporations were formed they were initially in many different activities and/or changed major business activities frequently. Rather than attempt to constantly reclassify these businesses they were classified as

Management Investment offices. While management of investments, including real estate, is a primary concern of all the village corporations this classification does not usually reflect the activity that includes the majority of the corporations' employment.

The Alaska village corporations are most active in the trade and service industries. In many of the villages they own and operate the grocery store, service station, restaurant, bar and/or lodge. They have also invested in hotels and motels, as well as other activities, in the larger communities. These investments are a natural outgrowth of the development of the village corporations. They provide both a source of return to the corporations and a needed service to the community. This emphasis on service to the rural communities is apparent in many of the businesses undertaken by the village corporations. Rural construction, rural air service, fish processing and logging activities, as well as lodges, restaurants and other activities all offer employment opportunities in the local villages. The long run benefits should be a stronger, more diversified Alaska economy.

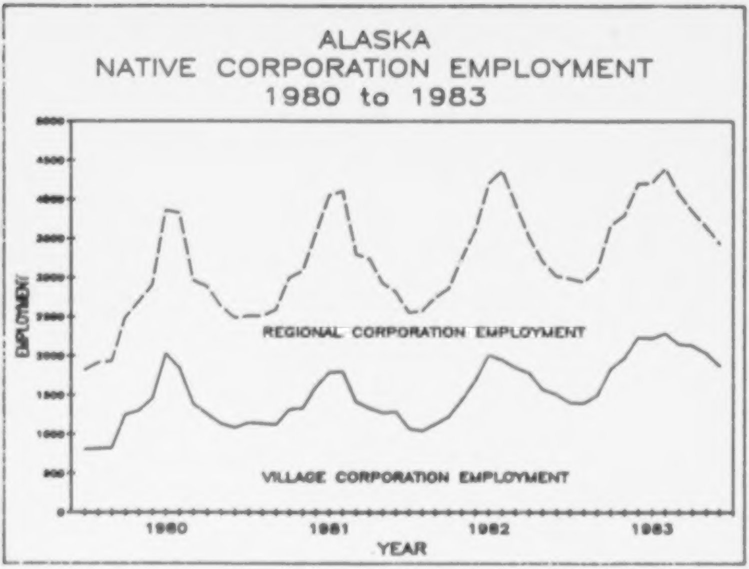
Total Native Corporation Employment

There are several similarities and differences between employment of the regional corporations and the village corporations. The regional corporations had the greatest concentration of employment in the Anchorage/Mat-Su region and the smallest employment in the Southwest and Southeast. This is opposite of what we see with the village corporations. Over 50% of village corporation employment was in the Southeast and Southwest versus less than 10% for regional corporations.

This concentration of employment in Anchorage by the regional corporations is not surprising since the regional corporations need a central location to represent their stockholders and Anchorage is one of the best areas in the state for large investments that can be centrally managed. To have small investments spread widely throughout the state or even within the region would present difficult management problems. For the village corporations investment in the local communities are attractive since they are more likely to be businesses with which they are familiar and it also makes management easier and more responsive to the stockholders as well as accomplishes the economic and social criteria of ANCSA.

Another difference is the concentration of employment by industry. The regional corporations have little employment in the transportation, communications, and utilities industry while the village corporations are well represented in this industry. The village corporations provide air service, trucking and warehousing service, and electric utility service to the village communities.

While both village and regional corporations report manufacturing



employment in seafood harvesting, the village corporations also have a significant number of firms and employment in the logging and sawmills category. In trade, the village corporations' employment is concentrated in retail trade. General merchandise stores, grocery stores and fuel service operations are the major trade activities. The regional corporations' trade related employment is divided between wholesale and retail with eating places the major employment category in the retail trade area.

The mining employment in the regional corporations is concentrated in oil field services at this time but the regional corporations have potential for hard rock mining development. (The lack of employment is identified with the lack of actual mining operations. Employment associated with early planning and development is most likely classified as investment offices and included in the industry classification finance, insurance and real estate.) As mineral prices improve it can be anticipated that new business ventures will develop in the mining industry.

Both the regional and village corporations have invested heavily in hotel and motels or lodges. The regional corporations' investments tend to be in the major communities while the village corporations' investments tend to be local, although some have invested in hotels in the larger communities. The Native corporations also appear to have made investments that satisfy the social goals of ANCSA as nearly all the employment in the services and miscellaneous category are in organizations providing social services.

Alaska Village Corporations
Employment by Region
Quarterly Average

	1984	1983				1982			
	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Northern	305	350	338	272	204	244	266	214	149
Fairbanks/Interior	222	223	233	196	165	169	128	110	97
Anchorage/Mat-Su	156	163	130	137	123	128	120	112	104
Southwest	540	554	618	465	398	440	548	467	376
Gulf Coast	100	139	244	360	115	163	386	212	99
Southeast	465	586	658	588	430	480	491	337	258
Total	1,788	2,014	2,223	2,018	1,434	1,623	1,939	1,452	1,083

Alaska Village Corporations
Employment by Industry
Quarterly Average

	1984	1983				1982			
	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Construction	104	162	139	64	23	86	107	45	35
Manufacturing	140	202	362	453	125	214	522	245	63
Trans. Comm. & Util.	209	196	217	191	109	109	107	87	64
Trade	341	364	354	335	281	252	284	217	191
Fin.-Insurance & R. Estate	582	664	723	564	506	587	573	522	429
Services & Misc.	412	425	427	402	390	375	347	334	299
Total	1,788	2,014	2,223	2,526	1,434	1,623	1,939	1,452	1,083

Conclusions

According to ANCSA, the Native corporations were to administer the land and cash settlement "in conformity with the real social and economic needs of Alaska Natives". In spite of the potential incompatability, the Native corporations appear to be accomplishing both goals in an environment that would suggest such accomplishments are unlikely if not impossible. The village and regional corporations have taken advantage of their strengths in choosing their investments. A review of the type of activities the village corporations are engaged in, as represented by employment, indicate that they have taken their social responsibility seriously and are contributing to the economy of rural Alaska.

The Native corporations have concentrated their investments in Alaska. Under difficult circumstances, related to the implementation of ANCSA, they have managed to succeed and grow. This is even more remarkable given that local investment opportunities of fish harvesting and timber production have suffered setbacks over the past several years.

Alaska Native Corporations
Total Employment
Annual Average

	1983	1982
Mining	85	27
Construction	249	273
Manufacturing	410	402
Trans. Comm. & Utilities	205	97
Trade	643	604
Fin.-Insurance & R. Estate	929	855
Services & Misc.	1,173	1,068
Regional Corporations	1,774	1,800
Village Corporations	1,922	1,524
Total	3,696	3,324

Alaska Native Corporations
Employment Growth by Region
1980 to 1983

	Village Corporations		%	Regional Corporations		%	Total		%
	1983	1980	Chg.	1983	1980	Chg.	1983	1980	Chg.
Northern	291	181	60.8	255	214	19.2	546	395	38.2
Fairbanks/Interior	204	75	172.0	113	101	11.9	317	176	80.1
Anchorage/Mat-Su	138	13	—	1071	797	34.4	1209	810	49.3
Southwest	509	392	29.8	45	46	2.2	554	438	26.5
Gulf Coast	215	437	-50.9	187	206	9.2	402	643	-37.5
Southeast	566	173	227.2	103	72	43.1	669	245	173.1
Total	1922	1271	51.2	1774	1436	23.5	3696	2707	36.5

Alaska Native Corporations
Employment Growth by Industry
1980 to 1983

	Village Corporations		%	Regional Corporations		%	Total		%
	1983	1980	Chg.	1983	1980	Chg.	1983	1980	Chg.
Mining	—	—	—	85	1	—	85	1	—
Construction	97	46	110.9	152	128	18.8	249	174	43.1
Manufacturing	286	179	59.8	124	134	-7.5	410	313	31.0
Trans. Comm. & Util.	178	80	122.5	27	28	-3.6	205	108	89.8
Trade	334	243	37.4	309	193	60.1	643	436	47.5
Fin-Insurance & R. Estate	614	539	13.9	315	242	30.2	929	781	19.0
Services & Misc.	411	183	124.6	762	710	7.3	1173	893	31.4
Total	1922	1271	51.2	1774	1436	23.5	3696	2707	36.5

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 8/84	r/ 7/84	8/83	p/ 8/84	r/ 7/84	8/83	p/ 8/84	r/ 7/84	8/83
Mining	$23.02	$23.41	$23.61	52.3	49.6	51.9	$1203.95	$1161.14	$1225.36
Contract Construction	24.42	24.91	24.18	45.1	43.9	44.9	1101.34	1093.55	1085.68
Manufacturing	10.54	9.94	10.50	48.1	44.1	41.7	506.97	438.35	437.85
Food & Kindred Products	8.49	8.00	8.28	50.6	45.9	42.2	429.59	367.20	349.42
Lumber & Paper Products	16.02	15.58	16.63	40.7	37.6	39.2	652.01	585.81	651.90
Trans. Comm. & Utilities	16.05	15.73	15.80	39.1	40.2	38.5	627.56	632.35	608.30
Trade	10.77	10.67	10.05	35.9	37.0	35.6	386.64	394.79	357.78
Wholesale	13.46	13.45	11.89	37.9	39.2	38.8	510.13	527.24	461.33
Retail	9.69	9.54	9.25	35.2	36.2	34.3	341.09	345.35	317.28
Fin.-Insurance & R. Estate	—	—	—	—	—	—	367.70	389.90	343.54

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Few people anticipated the difficulties of implementing ANCSA. Besides the problems associated with a corporate rather than a tribal structure, delays in implementing the land and cash terms of the settlement have all contributed to a difficult development phase for the Native corporations. The ANCSA settlement identifies 1991 as the period when Native land could be taxed and Native corporation stock could be sold to non-natives. Because of delays in implementing the terms of ANCSA there has developed a general concensus that this date should be extended to give the Native corporations sufficient time to complete the objectives of ANCSA as originally intended.

Note: The data presented should be interpreted in terms of magnitude and direction not in absolute terms. The data was developed from a survey of the village Native corporations (over 50% of the village corporations responded) and from the Department of Labor Unemployment Insurance tax files. The employment numbers probably understate slightly actual employment. Also, they do not include other Native organizations such as local or regional associations or individual Native businesses.

ALASKA

By Ed Eboch

Nonagricultural wage and salary employment dropped by 7,500 employees in October as seasonal employment adjustments continued. Seafood processing down by over 50%, and construction, down 8% led the drop in employment. The exception to the November decline was an increase in state and local government employment, a result of school openings. The Alaska unemployment rate for October was 9.5%, up from both last month and October 1983. While employment in 1984 has been greater than 1983, the rate of growth has dropped to less than 3% versus the 6-7% rate of late last year and early this year.

Oil Prices

The downward pressure on world oil prices continues. Norway's decision to cut official oil prices on October 15—backdated to October 1—was quickly followed by Britain and Nigeria. While the Organization of Petroleum Exporting Countries (OPEC) met to try to stop the continued decline in world oil prices, the proposed production cutbacks have not been successful in the past and are unlikely to be successful now. Already there are reports of OPEC members offering discounts to buyers.

Recession and price induced conservation over the past reduced demand at the same time production capacity was increasing. We now have a world that only uses about 56 million barrels of oil a day compared to a 1979 peak year consumption of 65 million barrels a day. The result is a spot market with surplus oil, both crude and products. OPEC's failure to recognize the individual needs of its member countries and the current world excess supply of oil make it unlikely they will be able to maintain the current price. Nigeria, Iran, and Iraq all have acute economic problems although for different reasons while Mexico and Venezuela with large foreign debts need revenues from oil exports.

The effect of a continued decline in oil prices is good for the U.S. and to a lesser extent the world's non oil exporting countries, but it will have a negative effect on Alaska's economy. A decline in oil prices results in an increase in the U.S. gross national product. The prospect of slower inflation should help reduce interest rates, encourage investment and consumer spending, and ease the monetary crisis of debtor nations. This would insure a continued economic recovery worldwide.

For Alaska it has been estimated that each $1 drop in the price of a barrel of oil reduces tax revenues to the state of Alaska by $150 million. There does not appear to be a problem of unrealized revenues causing a serious deficit in FY84 for the state, but as domestic oil prices slip revenues for FY85 will be below 84 levels. This would result in less government spending on large capital projects. Lower oil prices also make it less attractive for the oil companies to pursue exploration and development, especially for Alaska's high cost oil. The net effect of lower oil prices will be a less robust Alaska economy.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/ 10/84	R/ 9/84	10/83	9/84	10/83
Nonag. Wage & Salary	224800	232300	218700	-7500	6100
Mining	8000	8100	8000	-100	0
Construction	22300	24200	24400	-1900	-2100
Manufacturing	10000	15100	11100	-5100	-1100
Food & Kindred Products	4300	9200	5500	-4900	-1200
Lumber & Paper Products	2700	2800	2600	-100	100
All Other Mfg.	3000	3100	3000	-100	0
Trans. Comm. & Utilities	19600	20100	18800	-500	800
Trucking & Warehousing	2300	2300	2100	0	200
Water Transportation	1500	1600	1600	-100	-100
Air Transportation	6200	6200	5800	0	400
Other Trans. Comm. & Utilities	9600	10000	9300	-400	300
Trade	44400	44900	44100	-500	300
Wholesale	8500	8500	8300	0	200
Retail	35900	36400	35800	-500	100
Gen. Merchandise & Apparel	5000	5200	5000	-200	0
Food Stores	5900	6000	6000	-100	-100
Eating & Drinking Places	12500	12700	12400	-200	100
Other Retail Trade	12500	12500	12400	0	100
Fin.-Insurance & R. Estate	11200	11400	10800	-200	400
Services & Misc.	42400	42900	38300	-500	4100
Government	66900	65600	63200	1300	3700
Federal	17700	18200	17700	-500	0
State	20100	19700	19400	400	700
Local	29100	27700	26100	1400	3000

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

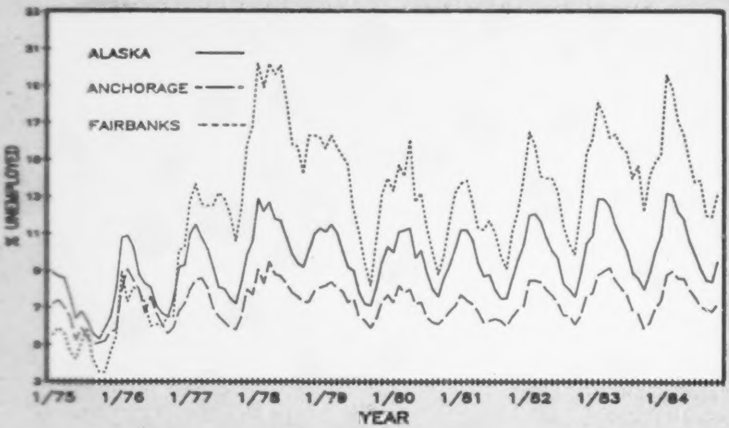
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P/ Denotes premilinary estimates.

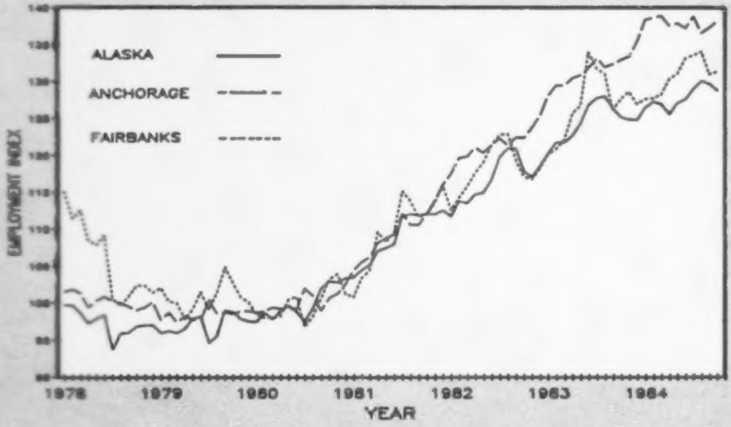
R/ Denotes revised estimates.

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1975 to Present



source: Ak. Dept. of Labor

Composite Nonag. Employment Indexes
Seasonally Adjusted
1978 to Present



source: Ak. Dept. of Labor

ANCHORAGE/MAT-SU

By Greg Huff

Anchorage Industry Employment: Review and Forecast

Anchorage employment trends in 1984 show the signs of an expanding economy with the exception that construction activity is peaking. Nonagricultural wage and salary employment during the year is estimated to average 109,250 (with the last three months employment levels forecast), an increase of 5.0% over of the previous year but 3 percentage points less than 1983 employment growth. Smaller construction employment gains in 1984 were the primary cause of the slower growth rate. All other major industry groups showed significant employment increases.

Construction employment leveled off in 1984 as a result of sharp declines in residential construction while nonresidential construction activity increased over 1983 levels. The number of housing permits issued declined 55% and the dollar valuation of new residential construction declined 40%. Commercial construction valuation in Anchorage through October 1984 surpassed similar 1983 levels by $67 million, a 20% increase. Highway and other heavy construction activity through September 1984 were also above 1983 levels.

Total Nonagricultural Employment Forecast

Generally, the forecast indicates a healthy but slowing economy. Total employment is forecasted to increase 3.4% in 1985 and 2.8% through the first half of 1986, compared to growth rates of 10.4%, 10.5%, 8.1% and 5.4% for 1981 through 1984, respectively. Anchorage employment growth is forecasted to outpace statewide employment growth since Anchorage will not feel the full repercussion of some factors dragging on the statewide economy such as expected declines in the pulp and lumber industry, and declines in construction activity on the North Slope. Anchorage as the primary commerce and distribution center for the state will receive additional stimulus from rural expenditures in Anchorage.

Mining

Mining employment is forecasted to increase moderately in 1985 and 1986. Anchorage support staffs for North Slope oil and gas operations will grow in response to continued exploration, the development of marginal North Slope fields, and continued recovery enhancement operations of existing fields. Anchorage non-oil exploration and support staffs will stay flat due to continued soft prices and weak demand.

Construction

Construction employment is forecasted to decline 8.9% in 1985 and 13% in the first half of 1986. The decline will come primarily as a result of substantially lower building activity in the residential market. Indications of a weakening residential housing market began appearing in late 1983 and have continued. Issued housing permits have fallen by 50% from 1983 levels reflecting the weakening market. Private commercial construction activity in 1985 will remain near present levels but will experience shifts in activity mix. Some commercial markets, such as office space, are saturated and suffering from high vacancy rates. These markets will encounter declines in activity. Retail building construction activity will plateau near 1984 levels. Many retail building projects on line in 1984 will be carried over into 1985 and some new projects are expected to get started in 1985, particularly in south Anchorage and Eagle River. Other markets have room for additional capacity and will likely see increased activity such as the hotel/motel sector.

Public construction activity including local, state and federal projects will hold steady in 1985. Road construction will at least meet 1984 activity levels. The last of the Project 80's will be completed during the 1985 and 1986 seasons, including the Headquarter Library building, Performing Arts Center, and Anchorage Police Headquarters building. Federal government construction expenditures will increase in 1985 with the building of several post offices and several military construction projects.

Government

Government employment is forecasted to expand by 3.5% in 1985 and continue similar growth in 1986. Federal government employment will expand due to increases in civilian military employment and Postal Service employment. The Municipality of Anchorage is forecasted to increase manpower levels in 1985 and 1986 due to additional services demanded by a growing population. The Anchorage School District is likely to represent a large share of local government growth. Increases in the University of Alaska and Anchorage Community College will push state government employment up as well. The locating of more state government functions to Anchorage will also expand Anchorage state government employment rolls.

Other Industries

Growth in population and real personal income will continue to generate growth in the secondary industries such as transportation, utilities and communications; services; trade; and finance, insurance and real estate. Retail trade will remain the fastest growing sector. The services industry will provide more new jobs than any other industry except trade with the health sector being the fastest growing of the service industries. Increased

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R/		CHANGES FROM:	
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	119650	120450	114100	-800	5550
Mining	3550	3600	3450	-50	100
Construction	11550	12450	11900	-900	-350
Manufacturing	2850	2950	2800	-100	50
Trans. Comm. & Utilities	9850	9900	9500	-50	350
Trade	29100	29000	27750	100	1350
Fin.-Insurance & R. Estate	8050	8200	7500	-150	550
Services & Misc.	26050	25950	24150	100	1900
Government	28650	28400	27050	250	1600

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R/		CHANGES FROM:	
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	112650	113600	108550	-950	4100
Mining	3500	3600	3400	-100	100
Construction	10650	11650	10950	-1000	-300
Manufacturing	2700	2800	2650	-100	50
Food & Kindred Products	500	600	550	-100	-50
Other Mfg.	2200	2200	2100	0	100
Trans. Comm. & Utilities	9250	9350	9000	-100	250
Trucking & Warehousing	1350	1250	1350	100	0
Water Transportation	350	350	400	0	-50
Other Trans. Comm. & Utilities	3800	3950	3500	-150	300
Trade	27750	27650	26550	100	1200
Wholesale	6300	6250	6050	50	250
Retail	21450	21400	20500	50	950
Gen. Merchandise	1800	1750	1800	50	0
Food Stores	2850	2900	2550	-50	300
Eating & Drinking Places ...	8200	8200	7850	0	350
Other Retail Trade	8600	8550	8300	50	300
Fin.-Insurance & R. Estate	7700	7800	7250	-100	450
Services & Misc.	24800	24450	23550	350	1250
Government	26300	26300	25200	0	1100
Federal	10350	10450	9900	-100	450
State	6750	6650	6550	100	200
Local	9200	9200	8750	0	450

tourism in 1985 and 1986 will also add impetus to firms providing goods and services to tourists, such as accommodations, gift shops, and air and bus transportation.

Methodology and Assumptions

The employment forecast is based on the Box-Jenkins ARIMA modeling method. ARIMA models are a quantitative method which can be used to produce short-term forecast of a time series from its own past values. The ARIMA models have proved to be excellent short-term forecasting models and have frequently outperformed larger, more complex models. The major assumption underlying these forecasts is that here will be no major disruption in the price of oil during the forecast period. Other assumptions related to the forecast are explained above.

Anchorage
Nonagricultural Wage & Salary Employment
1983 & 1984 1/

	1983	1984 2/	Percent Change
Total Employment	104100	109250	4.9%
Mining	3600	3450	-4.2%
Construction	9400	9550	1.6%
Manufacturing	2500	2600	4.0%
Food & Kindred	600	550	-8.3%
Other Manufacturing	1900	2050	7.9%
Trans. Comm. & Utilities	8700	9100	4.6%
Trucking & Warehousing	1200	1300	8.3%
Water Transportation	300	300	—
Air Transportation	3600	3750	4.2%
Other Trans. Comm. & Util.	3600	3750	4.2%
Trade	25400	27300	7.5%
Wholesale	5900	6300	6.8%
Retail	19500	21000	7.7%
General Merchandise & Apparel	1700	1800	5.9%
Eating & Drinking Places	7500	8100	8.0%
Other Retail Trade	7800	8300	6.4%
Fin.-Insurance & R. Estate	7100	7600	7.0%
Services & Misc.	22900	23850	4.1%
Government	24500	25800	5.3%
Federal	9900	10200	3.0%
State	6400	6400	—
Local	8200	9200	12.2%

1/ Totals may not equal sum due to rounding.
2/ Last 3 months forecast.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	10/84	9/84	10/83	10/84	9/84	10/83	10/84	9/84	10/83	10/84	9/84	10/83
Alaska Statewide	244193	247182	233316	23290	20645	20792	9.5	8.4	8.9	220903	226537	212524
Anchorage-MatSu Region	128700	127603	120059	9857	9217	8310	7.7	7.2	6.9	118843	118386	111749
Anchorage	116179	115299	108099	8349	7884	6706	7.2	6.8	6.2	107830	107415	101393
Matanuska-Susitna	12521	12304	11960	1508	1333	1604	12.0	10.8	13.4	11013	10971	10356
Gulf Coast Region	27251	28535	26292	3355	2388	3037	12.3	8.4	11.6	23896	26147	23255
Cordova	1410	1474	1373	131	74	128	9.3	5.0	9.3	1279	1400	1245
Kenai	13946	14767	13607	1770	1445	1758	12.7	9.8	12.9	12176	13322	11849
Kodiak	6311	6429	5852	855	459	542	13.5	7.1	9.3	5456	5970	5310
Seward	1947	2018	1905	243	153	247	12.5	7.6	13.0	1704	1865	1658
Valdez	3637	3847	3555	356	257	362	9.8	6.7	10.2	3281	3590	3193
Interior Region	32657	32976	31581	4168	3819	4350	12.8	11.6	13.8	28489	29157	27231
Fairbanks	26733	26971	25876	3513	3206	3680	13.1	11.9	14.2	23220	23765	22196
Southeast Fairbanks	2620	2671	2516	291	287	290	11.1	10.7	11.5	2329	2384	2226
Upper Yukon	781	804	777	86	93	113	11.0	11.6	14.5	695	711	664
Yukon-Koyukuk	2523	2530	2412	278	233	267	11.0	9.2	11.1	2245	2297	2145
Northern Region	10946	11125	11546	733	923	833	6.7	8.3	7.2	10213	10202	10713
Barrow-North Slope	2906	2949	3111	151	197	221	5.2	6.7	7.1	2755	2752	2890
Kobuk	3434	3509	3630	265	343	305	7.7	9.8	8.4	3169	3166	3325
Nome	4606	4667	4805	317	383	307	6.9	8.2	6.4	4289	4284	4498
Southeast Region	32974	34159	31900	4181	3373	3281	12.7	9.9	10.3	28793	30786	28619
Angoon	461	450	422	80	43	43	17.4	9.6	10.2	381	407	379
Haines	1104	1164	1080	133	125	114	12.0	10.7	10.6	971	1039	966
Juneau	11710	12313	11392	1257	1137	1003	10.7	9.2	8.8	10453	11176	10389
Ketchikan	7409	7522	6662	1352	1046	642	18.2	13.9	9.6	6057	6476	6020
Outer Ketchikan	865	878	845	152	115	136	17.6	13.1	16.1	713	763	709
Prince of Wales	1578	1556	1532	246	132	208	15.6	8.5	13.6	1332	1424	1324
Sitka	4571	4882	4651	348	367	454	7.6	7.5	9.8	4223	4515	4197
Skagway	1608	1606	1758	200	100	358	12.4	6.2	20.4	1408	1506	1400
Wrangell-Petersburg	3668	3788	3558	413	308	323	11.3	8.1	9.1	3255	3480	3235
Southwest Region	11665	12784	11938	996	925	981	8.5	7.2	8.2	10669	11859	10957
Aleutian Islands	3029	3360	3156	128	135	176	4.2	4.0	5.6	2901	3225	2980
Bethel	3816	4140	3853	422	367	367	11.1	8.9	9.5	3394	3773	3486
Bristol Bay Borough	436	471	433	53	45	40	12.2	9.6	9.2	383	426	393
Bristol Bay	1544	1712	1579	111	119	108	7.2	7.0	6.8	1433	1593	1471
Kuskokwim	1019	1107	1072	94	78	122	9.2	7.0	11.4	925	1029	950
Wade Hampton	1821	1994	1845	188	181	168	10.3	9.1	9.1	1633	1813	1677

P/=Preliminary 1983 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

FAIRBANKS/INTERIOR

By Neal Fried

Fairbanks Industry Employment Forecast 1985-1986

Fairbanks' employment is experiencing its fourth straight year of growth and employment is projected to continue growing through the first half of 1986. The employment growth rate peaked at 9.5% in 1981, and has moderated since. Employment is predicted to grow 3% during the forecast period. Although this represents a slowdown in the pace of past employment gains, it remains a healthy rate for Fairbanks' economy.

Growth Industries

The secondary industries will create the majority of the new jobs in Fairbanks during the forecast period. Trade, services and government will be responsible for most of the growth in employment. Government employment, as well as other beneficiaries of government spending have expanded rapidly as a result of increased state expenditures. The result has been rapid population and income growth which also contributes to growth in the secondary industries.

One additional factor which may provide a boost to employment is the Army's plan to relocate 2,000-2,500 soldiers to Fairbanks. This will not only push federal employment higher, but will affect Fairbanks' secondary or support industries. If this does occur, it is unlikely to affect the employment picture until late 1985-early 1986 when the troops are scheduled to begin to arrive in Fairbanks. The psychological effect it will have on the economy before that is hard to quantify, though it will likely exist.

Remaining Industries

Construction continues to be the most difficult industry to predict. Statewide construction employment peaked in 1983, and it appears 1984 will be Fairbanks' peak construction year. Public construction will remain strong, and commercial construction may remain steady while residential construction employment is predicted to drop in 1985. The military's plans, still an unknown factor, could possibly generate a flurry of residential construction activity. If this happens, construction employment in 1985-1986 could closely repeat 1984 levels.

The remaining industries are not forecast to increase employment. Transportation, communication and utilities, one of the largest industries, will at best remain flat but could dip slightly due to possible Alyeska

Industrial Employment Forecast
Fairbanks
1984-1986*

	Ann. Avg. 1984	Ann. Avg. 1985	% Chg.	Chg. in # of Jobs	1st 6 Mon. 1985	1st 6 Mon. 1986	% Chg.	Chg. in # of Jobs
Total Nonag. Wage & Salary	27800	28650	3.1	850	27600	28450	3.0	850
Mining	250	250	0.0	0	200	250	0.0	60
Construction	2900	2700	-7.0	-200	2150	2050	-4.7	-100
Manufacturing	550	600	9.0	50	550	550	0.0	0
Trans. Comm. & Utilities	2800	2800	0.0	0	2750	2750	0.0	0
Trade	5800	6050	4.3	250	5800	6050	4.3	250
Wholesale	1000	1100	10.0	100	1050	1100	4.8	50
Retail	4800	4950	3.1	150	4750	4950	4.2	200
Fin.-Ins & R. E.	1000	1000	0.0	0	1000	1000	0.0	0
Service & Misc.	5250	5450	3.8	200	5300	5450	2.8	150
Government	9250	9800	5.9	550	9850	10350	5.1	500
Federal	2650	2750	3.8	100	2750	2900	5.5	150
State	3850	4050	5.2	200	4000	4150	3.8	150
Local	2750	3000	9.0	250	3100	3300	6.5	200

* 1986 forecast is only for the first six months of the year.

Industry Employment Forecast
Fairbanks
Monthly Average Employment by Quarter

	Q1 1985	Q2 1985	Q3 1985	Q4 1985	Q1 1986	Q2 1986
Total Nonag. Wage & Salary	26450	28750	30500	28750	27250	29600
Mining	200	250	300	200	200	250
Construction	1750	2550	3800	2550	1650	2450
Manufacturing	500	600	700	600	500	600
Trans. Comm. & Utilities	2600	2900	3000	2700	2600	2900
Trade	5550	6000	6400	6150	5800	6300
Wholesale	1000	1050	1150	1150	1100	1150
Retail	4550	4950	5250	5000	4700	5150
Fin.-Ins. & Real Estate	950	1000	1050	1000	1000	1000
Services & Misc.	5150	5450	5800	5400	5300	5600
Government	9750	10000	9450	10150	10200	10500
Federal	2650	2800	2800	2750	2750	2900
State	4000	4050	3950	4250	4150	4250
Local	3050	3150	2750	3100	3250	3350

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

				CHANGES FROM:	
	P/	R/			
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	32450	33700	31450	-1250	1000
Mining	450	500	400	-50	50
Construction	3450	4150	3200	-700	250
Manufacturing	600	700	600	-100	0
Trans. Comm. & Utilities	3550	3850	3500	-300	50
Trade	6100	6350	6100	-250	0
Fin.-Insurance & R. Estate	1150	1100	1050	50	100
Services & Misc.	5800	6050	5550	-250	250
Government	11350	11000	11050	350	300

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	R/			
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	28650	29800	28000	-1150	650
Mining	250	350	250	-100	0
Construction	3350	4050	3150	-700	200
Manufacturing	550	650	600	-100	-50
Trans. Comm. & Utilities	2850	3050	2850	-200	0
Trucking & Warehousing	450	450	450	0	0
Air Transportation	700	750	700	-50	0
Other Trans. Comm. & Utilities	1700	1850	1700	-150	0
Trade	5700	5950	5750	-250	-50
Wholesale	1000	1000	950	0	50
Retail	4700	4950	4800	-250	-100
Gen. Merchandise & Apparel	450	400	400	50	50
Food Stores	750	750	750	0	0
Other Retail Trade	3500	3800	3650	-300	-150
Fin.-Insurance & R. Estate	1050	1050	1000	0	50
Services & Misc.	5450	5600	5150	-150	300
Government	9450	9100	9250	350	200
Federal	2550	2500	2600	50	-50
State	4150	3850	3950	300	200
Local	2750	2750	2700	0	50

Anchorage
Industry Employment Forecast
1985 and 1986

	Annual 1984	Annual 1985	Percent Change	Number of Jobs	1st Half 1985	1st Half 1986	Percent Change	Number of Jobs
Total Employment	109250	112950	3.4	3700	109950	113050	2.8	3100
Mining	3450	3500	1.4	50	3550	3600	1.4	50
Construction	9550	8700	-8.9	-850	8000	7000	-13.0	1000
Manufacturing	2600	2750	5.8	150	2450	2600	6.1	150
Food and Kindred	550	600	9.1	50	450	500	11.1	50
Other Manufacturing	2050	2150	4.9	100	2000	2100	5.0	100
Trans. Comm. & Utilities	9100	9500	4.4	400	9250	9550	3.2	300
Trucking and Warehousing	1300	1300	0.0	0	1250	1300	4.0	5.0
Water Transportation	300	350	16.7	50	350	350	0.0	0
Air Transportation	3750	3850	2.7	100	3750	3850	2.7	100
Other Trans. Comm. & Utilities	3750	4000	6.7	250	3950	4050	2.5	100
Trade	27300	28750	5.3	1450	27950	29150	4.3	100
Wholesale	6300	6600	4.8	300	6550	6700	2.3	150
Retail	21000	22150	5.5	1150	21450	22500	4.9	1050
General Merchandise & Apparel	1800	1800	0.0	0	1750	1800	2.9	50
Food Stores	2800	3000	7.1	200	2900	3100	6.9	200
Eating and Drinking Places	8100	8550	5.6	450	8350	8750	4.8	400
Other Retail Trade	8300	8800	6.0	500	8500	8850	4.1	350
Fin.-Insurance & R. Estate	7600	8050	5.9	450	7900	8250	4.4	350
Services and Miscellaneous	23850	25000	4.8	1150	24550	25550	4.1	1000
Government	25800	26700	3.5	900	26350	27300	3.6	950
Federal	10200	10500	2.9	300	10300	10650	3.4	350
State	6400	6600	3.1	200	6550	6800	3.8	250
Local	9200	9600	4.3	400	9500	9850	3.7	350

Anchorage
Industry Employment Forecast

	1985				1986	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Total Nonag. Wage & Salary	107850	112100	116900	114900	111200	114900
Mining	3550	3550	3500	3400	3550	3650
Construction	7400	8600	10350	8350	6450	7550
Manufacturing	2250	2650	3400	2650	2400	2800
Food and Kindred	400	500	1000	500	450	550
Other Manufacturing	1850	2150	2400	2150	2050	2100
Trans. Comm. & Utilities	9050	9450	9850	9650	9350	9800
Trucking and Warehousing	1250	1250	1350	1350	1300	1300
Water Transportation	300	350	350	350	300	350
Air Transportation	3700	3800	4000	3950	3800	3900
Other Trans. Comm. & Utilities	3800	4050	4150	4000	3900	4200
Trade	27500	28400	29300	29800	28800	29550
Wholesale	6450	6550	6550	6650	6650	6750
Retail	21050	21850	22650	23150	22200	22800
General Merchandise and Apparel	1700	1750	1800	1950	1750	1850
Food Stores	2800	2950	3150	3200	3050	3150
Eating and Drinking Places	8200	8500	8850	8700	8650	8850
Other Retail Trade	8350	8650	8850	9300	8750	8950
Fin.-Insurance and Real Estate	7800	8000	8150	8250	8200	8300
Services and Miscellaneous	24250	24800	25600	25400	25400	25700
Government	26050	26650	26750	27400	27050	27550
Federal	10150	10450	10750	10700	10550	10750
State	6500	6600	6500	6850	6750	6850
Local	9400	9600	9500	9850	9650	9850

Pipeline Company layoffs and a loss of 78 jobs at Bendix (Gilmore Creek Satellite Tracking Station).

Methodology of the Model

This forecast was produced using the Box-Jenkins ARIMA modeling technique. This model is designed to produce accurate forecasts up to two years. Each industry is forecasted individually, based on past years' experience to arrive at estimated future employment. The forecasted figures are adjusted where the model was unable to account for specific events.

GULF COAST

By Neal Fried

Kenai Peninsula Borough's Employment 1980-1984

The Kenai Peninsula Borough is the second largest and second fastest growing borough in the state. The population grew by 54% and employment climbed by approximately 61% over the past four years. The communities within the Borough which have led this growth have been Homer, Soldotna, and Kenai.

Employment and population growth is largely a result of state sponsored economic expansion through the expenditures of oil revenues. Tourism has also provided some boost to employment. Most of the growth has taken place in the area's secondary industries. A number of the Peninsula's "traditional" basic industries, mining (oil) and manufacturing (fish, processing and refining) have not contributed to this employment growth. Fish processing and oil related employment have actually declined since 1980.

The industries which have chalked up the greatest employment gains have been services, trade, construction, and government. The number of jobs in retail trade from 1980-1983 grew by more than 50%. Comparing the first quarter 1983 employment data with first quarter 1984, trade grew by 23%. The expansion in trade is evident with the new malls, large grocery and merchandise chains, and a variety of specialty retail outlets and restaurants that have opened recently.

The larger retail establishments have captured a bigger share of the Peninsula's trade market during the past four years. There are now six employees per establishment compared to four in 1980. The service industry story has been similar. Employment in services grew by 30% from 1980-1983 and also had a big gain in the first quarter 1984, growing by 13.5% over the same quarter last year. The growth in these two industries has come as a result of greater income and population and as well as an expanding tourism industry.

The construction industry has been a major beneficiary of state expenditures and subsidized interest loans for housing. Construction grew from an annual average employment level of 600 in 1980 to 1,000 in 1983. Statewide construction employment peaked in 1983, but on the Peninsula it appears construction will peak in 1984. Residential construction has already fallen off and commercial construction appears to be peaking, although the $93 million expansion of the Tesoro refinery will insure respectable commercial construction levels through most of 1985. Public construction will likely remain strong considering the revenues the area received from Juneau for capital projects this year.

· Kenai Peninsula's Employment
1980-1984

	Annual Average				1st Quarter Avg.	
	1980	1981	1982	1983	1983	1984
Total Nonag. Wage & Salary	8550	9150	10000	10450	8750	9650
Mining	800	800	850	700	700	650
Construction	600	700	800	1000	450	750
Manufacturing	1800	1750	1650	1550	850	750
Food & Kindred	1100	1100	1100	900	350	200
Other Manufacturing	700	650	550	650	500	550
Trans. Comm. & Utilities	700	900	1100	1050	1000	1100
Trade	1350	1500	1600	1800	1500	1850
Wholesale	250	350	300	300	300	300
Retail	1100	1150	1300	1500	1200	1550
Fin. Insurance & R. Estate	200	250	300	300	300	350
Services & Miscellaneous	1200	1300	1550	1650	1500	1550
Government	1900	1950	2150	2400	2450	2650
Federal	200	150	150	200	150	150
State	550	600	650	700	650	750
Local	1150	1200	1350	1500	1650	1750

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	20450	22700	20250	-2250	200
Mining	700	700	700	0	0
Construction	2600	2750	2550	-150	50
Manufacturing	2400	3950	2450	-1550	-50
Food and Kindred Prod.	1700	3200	1750	-1500	-50
All Other Mfg.	700	750	700	-50	0
Trans. Comm. & Utilities	2250	2300	2500	-50	-250
Trade	3400	3650	3350	-250	50
Wholesale	500	600	550	-100	-50
Retail	2900	3050	2800	-150	100
Fin.-Insurance & R. Estate	550	550	500	0	50
Services & Misc.	3250	3400	3050	-150	200
Government	5300	5400	5150	-100	150
Federal	550	600	550	-50	0
State	1650	1650	1550	0	100
Local	3100	3150	3050	-50	50

With a growing population and growing state revenues, government employment has increased during the past four years. School enrollment has grown by 31% over the past four years making it necessary to hire larger school staffs. The demand for additional local services has made it necessary for local governments to add to their staffs. State and federal employment have also increased in the Borough.

The Peninsula probably has the most active tourism industry in the state because of its recreational opportunities and its proximity to Anchorage. The Peninsula benefits both from outside visitors and a constant stream of pleasure seekers from Anchorage. While there is no one figure for the number of people employed in tourism, it does affect most of the areas secondary industries. Anchorage's growing population and the steady increase in out-of-state visitors has assured the continued growth in this industry.

Generally, when the employment side of the labor force equation grows there is a corresponding decline in the unemployment rate. This has not happened on the Peninsula nor has it happened elsewhere in the state. Though employment growth has been dramatic, the increasing number of new job seekers has been equally dramatic, keeping the rate high. The average annual unemployment rate was 15.3% in 1980 and after a drop in 1981 climbed back to 15.2% in 1983 and has remained at that level in 1984. Employment growth has brought many new job opportunities to the residents of the Peninsula, but the unemployment problem has certainly not evaporated.

SOUTHEAST ALASKA

By John Boucher

Southeast Alaska Employment Forecast Through Mid 1986

While the period from 1980 to 1983 resulted in explosive employment growth in some labor market areas of the state, Southeast Alaska employment growth was less spectacular. This was largely because of the region's dependency upon the manufacturing industry and the support it receives from other industries. It is worth noting that had manufacturing and transportation stayed at their 1980 levels throughout this period, employment growth in Southeast would have been 12.5%, almost double the 6.5% experienced during this period.

In looking forward to 1985 and 1986, the first question that needs to be answered is will the trends of 1980-83 continue? Will construction, trade, services and government employment continue to grow while manufacturing and related transportation employment continue to drop? Some of the trends from the early eighties will continue in 1985 and 1986, while others will change direction.

Construction

Perhaps the most dramatic impact on Southeast employment in the early eighties was made by the construction industry. Large hydro projects financed by state oil revenues, combined with residential and commercial construction booms in the larger cities caused construction employment to increase by 66% from 1980 to 1983. This trend, however, will not continue into 1986. Lower international oil prices and corresponding lower revenue from oil tax dollars will limit large capital construction projects for at least the next several years. In addition there appears to be an adequate supply of space in both the residential and commercial sectors, so building in these sectors will slow from the breakneck pace of 1980-83. Barring any dramatic change in oil prices, construction will level off in 1984 and have small decreases in 1985 and 1986.

Manufacturing

Manufacturing had the largest negative impact on total Southeast employment. Annual average employment dropped 1,150 jobs in manufacturing from 1980-1983. Lumber and paper products accounted for the largest portion of this decrease, but seafood processing also contributed to the decline. In 1985 and 1986 it is anticipated that lumber and paper products, and the manufacturing industry in general will continue to show employment declines but will experience less dramatic drops than as was characteristic of the early 1980's. Recent legislative and executive action have provided some relief to the Southeast Alaska timber industry

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	10/84	9/84	10/83	9/84	10/83
Nonag. Wage & Salary	29350	31600	28850	-2250	500
Construction	2050	2350	2350	-300	-300
Manufacturing	3000	4100	3000	-1100	0
Food & Kindred Products	600	1600	600	-1000	0
Lumber & Paper Products	2150	2250	2150	-100	0
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2100	2250	2150	-150	-50
Trade	4750	5050	4600	-300	150
Wholesale	500	500	400	0	100
Retail	4250	4550	4200	-300	50
Fin.-Insurance & R. Estate	1050	1050	1000	0	50
Mining, Services & Misc.	4600	4850	4150	-250	450
Government	11800	11950	11600	-150	200
Federal	2150	2300	2250	-150	-100
State	5500	5500	5300	0	200
Local	4150	4150	4050	0	100

and these actions could save some employment in this industry in the short term. The food and kindred products sector of manufacturing is anticipated to remain stable throughout the forecast period.

Trade and Services

Trade and services related employment followed construction in terms of percentage employment gains from 1980 to 1983. It is forecast that during the next several years that these two industries will assume leading roles in Southeast Alaska employment growth. Trade employment growth is expected to slow somewhat from the pace of the past several years largely because a portion of the growth in trade has been related to construction. Hardware and building supply stores, for example, are not expected to grow as quickly as they have in the past. Services employment is also expected to continue growing but at a slower pace.

Transportation, Communication and Utilities; Finance, Insurance and Real Estate

The transportation, communication and public utilities and finance, insurance and real estate industries both experienced slight downward trends in employment from 1980 to 1983. The factors that led to the declines in these two industries were somewhat similar. The closing of the White Pass railroad, and the slowdown of stevedoring activity related to

Southeast
Industrial Employment Forecast
Quarterly Average
1984

Industry	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual Average	First Six Mon. 1984 Average
Total Nonag. Wage & Salary	26050	29600	32100	28500	29050	27850
Construction	1300	2000	2500	2050	1950	1650
Manufacturing	2000	3600	4650	2750	3250	2800
Food and Kindred	400	1350	2100	600	1100	850
Lumber and Paper	1400	2050	2300	1900	1900	1750
Other Manufacturing	200	250	250	250	250	250
Transportation	1850	2100	2350	2000	2100	2000
Trade	4300	4700	5250	4850	4800	4500
Wholesale	400	450	500	450	450	450
Retail	3900	4250	4750	4400	4350	4100
Fin.-Insurance & R. Estate	1000	1050	1050	1000	1000	1000
Mining, Services and Misc.	4050	4400	4550	4150	4300	4250
Government	11600	11800	11750	11700	11700	11700
Federal	2050	2250	2400	2200	2250	2150
State	5400	5500	5400	5300	5400	5450
Local	4100	4000	3900	4200	4050	4050

Southeast
Industrial Employment Forecast
1985

Industry	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual Average	First Six Mon. 1985 Average
Total Nonag. Wage & Salary	26800	30500	32450	29050	29700	28650
Construction	1300	1900	2400	1900	1850	1600
Manufacturing	2050	3600	4450	2600	3200	2800
Food and Kindred	450	1250	2050	600	1100	850
Lumber and Paper	1350	2100	2200	1750	1850	1750
Other Manufacturing	250	250	250	250	250	250
Transportation	1850	2050	2300	2000	2050	1950
Trade	4600	5100	5600	5200	5150	4850
Wholesale	450	500	550	500	500	450
Retail	4150	4650	5050	4700	4650	4400
Fin.-Insurance & R. Estate	1050	1100	1050	1050	1050	1050
Mining, Services and Misc.	4150	4600	4850	4450	4550	4400
Government	11800	12050	11750	11850	11850	11900
Federal	2050	2250	2400	2200	2250	2150
State	5500	5650	5450	5350	5500	5600
Local	4200	4150	3900	4300	4150	4200

Southeast
Industrial Employment Forecast
1986

Industry	First Quarter	Second Quarter	First Six Months 1986 Average
Total Nonag. Wage & Salary	27600	31300	29100
Construction	1450	2100	1550
Manufacturing	2000	3450	2750
Food and Kindred	450	1250	850
Lumber and Paper	1300	2000	1650
Other Manufacturing	250	250	250
Transportation	1850	2050	1950
Trade	4900	5450	5200
Wholesale	500	500	500
Retail	4400	4950	4700
Fin.-Insurance & R. Estate	1050	1050	1050
Mining, Services and Misc.	4450	4950	4700
Government	11900	12200	12050
Federal	2050	2250	2150
State	5600	5800	5700
Local	4300	4200	4250

Southeast
Industrial Employment Forecast
Percent Growth

Industry	84-85	First Six Months Average 84-85	First Six Months Average 85-86
Total Nonag. Wage & Salary	2.2%	2.5%	1.6%
Construction	-5.1%	-3.0%	-3.1%
Manufacturing	-3.0%	0%	1.8%
Food and Kindred	-9.1%	0%	0%
Lumber and Paper	-2.6%	0%	5.7%
Other Manufacturing	0%	0%	0%
Transportation	-2.4%	-2.5%	0%
Trade	7.3%	7.7%	7.2%
Wholesale	11.1%	0%	11.1%
Retail	6.9%	7.3%	6.8%
Fin.-Insurance & R. Estate	5.0%	5.0%	0%
Mining, Services and Misc.	5.8%	3.5%	6.8%
Government	1.9%	1.7%	1.7%
Federal	0%	0%	0%
State	1.9%	2.8%	1.8%
Local	2.5%	3.6%	1.2%

the ailing wood products industry contributed to the decline in employment in transportation. Cutbacks in Native corporation employment related to the timber industry downturn and difficulties in the seafood market resulted in a drop in employment in finance, insurance and real estate. In both industries the sectors such as communications, banking and insurance have shown consistent growth during the past several years. It is these growing sectors which will push these two industries back into growth modes.

Government

Government, the largest employer in the region, is anticipated to continue the trends of the past several years. Federal government is anticipated to remain stable throughout the forecast period. State government and local government employment are expected to show slight growth during 1985 and 1986.

Methodology and Assumptions

The Southeast employment forecast is based on the Box-Jenkins ARIMA modeling method. ARIMA models are a quantitative method which can be used to produce short-term forecasts of a time series from its own past values. The ARIMA models have proved to be excellent short-term forecasting models and have frequently out performed larger, more complex models. The major assumptions underlying these models is that there will be no major change in the price of oil during the forecast period and no major changes in the minerals market which would hasten development of the Green's Creek and Quartz Hill projects.

HOURS AND EARNINGS

By Kathleen Thomas

September is usually the beginning of the post-summer slow down. The tourist season is over, the major salmon runs are through, and the fall weather cools expansion in other industries.

The 1984 salmon run ranked with the best according to preliminary Department of Fish and Game data. This summer 132.5 million salmon were caught totaling 516 million pounds. This summer in food and kindred products the peak of 49.8 average weekly hours occurred in August. For September, average weekly hours are 44.6% lower than August and the same level as September 1983. Average hourly earnings are 2.6% below August levels.

September construction average weekly hours, at 45.7 hours, had a negligible percentage change from August. Though construction still appears to be active, average weekly hours have been lower in 1984 than they were in 1983. With the number of building permit requests down, it is doubtful that average weekly hours will be increasing significantly over the next year.

September average weekly hours in lumber and paper products dropped 11.3% from August but average hourly earnings increased 5.4% above August levels. Average weekly hours and average hourly earnings are both below September 1983 levels. As is true in food and kindred products as average weekly hours decrease more of the lower paid summer employees are laid off resulting in higher average hourly earnings.

Since the summer is over, retail trade has slowed its pace as tourists have moved on to warmer climates. Average weekly hours in retail trade decreased 4.3% from August but are consistent with year ago levels.

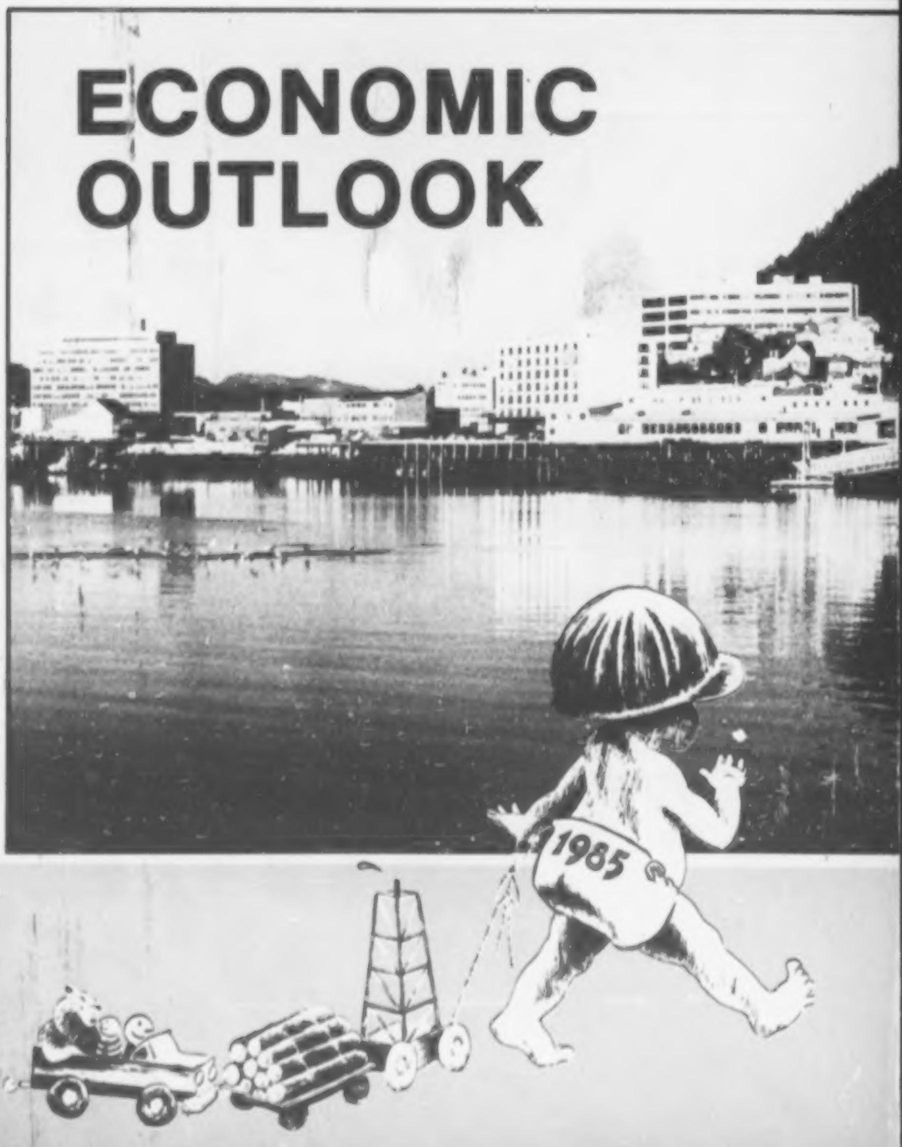
- 2/4/85 S0320-1 A

JANUARY 1985

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

ECONOMIC OUTLOOK



ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

January 1985
Volume 5
Issue 1

CONTENTS

Alaska's Economic Outlook 1

Alaska 11
Anchorage/Matsu 14
Fairbanks/Interior 17
Gulf Coast 21
Southeast 23
Hours and Earnings 25
Labor Force By Region and Census Division .... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 9/84	r/ 8/84	9/83	p/ 9/84	r/ 8/84	9/83	p/ 9/84	r/ 8/84	9/83
Mining	$23.36	$23.04	$24.01	50.4	52.2	52.0	$1177.34	$1202.69	$1248.52
Contract Construction	24.38	24.40	24.24	45.7	45.6	45.2	1114.17	1112.64	1095.65
Manufacturing	12.60	10.56	13.48	31.8	47.5	32.9	400.68	501.60	443.49
Food & Kindred Products	8.26	8.48	9.35	27.6	49.8	27.5	227.98	422.30	257.13
Lumber & Paper Products	16.86	15.99	17.21	36.2	40.8	39.6	610.33	652.39	681.52
Trans. Comm. & Utilities	15.78	15.86	16.80	38.6	39.6	37.5	609.11	628.06	630.00
Trade	10.97	10.74	10.29	35.1	35.9	34.3	385.05	385.57	352.95
Wholesale	13.42	13.33	12.44	39.2	38.1	36.5	526.06	507.87	454.06
Retail	9.94	9.70	9.41	33.6	35.1	33.5	333.98	340.47	315.24
Fin.-Insurance & R. Estate	—	—	—	—	—	—	389.39	367.18	326.99

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P Denotes preliminary estimates.

R Denotes revised estimates.

ALASKA'S ECONOMIC OUTLOOK

By Ed Eboch

Negative news has dominated the Alaska press during 1984 and intimated less affluent times for Alaska's economy over the next several years. While the growth rates of the past several years will not be equaled, growth in employment is forecast to continue for 1985 and 1986 but at a more subdued rate. Attention on the unfavorable news of lower oil prices, weak timber markets, and declining mineral prices have hidden the abundance of good news, especially positive for the long term development of Alaska's economy (Table I). Natural resources will continue to play a dominant role in Alaska. The potential for oil and gas production and for mineral development in the 1990's is especially attractive. As the surplus of oil and mineral production capacity and existing stocks of these commodities come into balance and as lower cost resources are depleted, attention to Alaska's resource potential will result in significant increases in employment in the mining industry and its support industries.

Because of its importance to Alaska's state revenues and therefore state expenditures, oil prices and oil tax revenues tended to receive the most attention during 1984. Obviously, oil prices will affect state revenues and employment growth generated as a result of state expenditures. Declines in the state capital budget will affect construction activities while pressure on operating budgets will result in less service contracts and equipment and other purchases. Oil prices continue to decline, causing the Department of of Revenue to adjust its FY 85 (7/1/84-6/30/85) and FY 86 forecast of state tax revenues downward. State tax revenues for FY 85 are now estimated to be $3.314 billion, down $89 million from the September projections. For FY 86 the estimated state tax revenues are $3.312 down $162 million from the September projections.

While the disappointment of the Mukluk exploratory well was the bad news for the oil industry in 1983, its impact on oil and gas exploration has had and will likely have less impact on the oil and gas industry in Alaska than the current weak oil prices. Lower oil prices mean that oil and gas exploration and development will be approached more cautiously. The oil companies will be less interested in developing new, marginally profitable, oil fields; secondary and tertiary development of existing fields; or active exploration work on less desirable lease holdings until the outlook for oil prices and potential profits improves.

Low prices for timber and minerals continued to plague two of Alaska's other basic industries during 1984. With an already existing cost disadvantage and a changing timber market, Alaska's lumber and pulp mills were struggling to maintain employment and profits. With the failure of the U.S. Environmental Protection Agency to grant a waiver to its water discharge standards for Alaska pulp mills the viability of the wood processing industry appears in question.

As a result of low mineral prices three mineral mining ventures appear less certain to come into production than they did a year ago. The Borax Quartz Hill molybdenum mine near Ketchikan, the Cominco/NANA Red Dog mine in the Northwest Arctic, and the Greens Creek mine on Admiralty Island near Juneau will continue to be examined to determine their viability in light of low mineral prices. As of mid-December, prices for lead, copper, gold, silver, and molybdenum are below year ago levels. The anticipated price increase that usually accompanies an economic recovery has failed to materialize. The affect has been less activity on these ventures than might otherwise have been expected.

Several factors that appeared to have affected Alaska economy in 1984 should favor continued growth of employment in 1985 and beyond. A

Table I
Highlights of 1984
Alaska

- Oil prices decline, state revenue projections lower.
- Tourism at record levels.
- Coal shipments to Korea begin.
- 2,000-2,500 additional military personnel to be stationed in Alaska.
- Anaconda and Cook Inlet Regional Corporation disclose a major gold-copper-lead mineral discovery located on Alaska Peninsula.
- Exxon disclose a giant gas field at Point Thompson (5 trillion cubic feet of recoverable gas and 350 million barrels of condensate).
- Record salmon catch at 132.5 million pounds.
- Successful oil and gas lease sales:

    —Federal Navarin Basin
    —Federal Daipir OCS
    —State of Alaska Colville River Delta Prudhoe Bay Uplands
    —State of Alaska, Beaufort Sea

- Oil companies announce development of Endicott, Milne Point and Lisburne oil fields and Kuparuk production is scheduled to double.
- U.S. Senate says no to export of Alaska oil.
- Shell and partners announce Seal Island discovery larger than previously indicated.
- U.S. Environmental Protection Agency refuse variance of water discharge standards for Alaska pulp mills.
- Alaska Railroad purchase finalized.

growing population plus shifting demographics will continue to affect Alaska's trade and services industry favorably. Early estimates are that Alaska's population grow by over 5% from 1983 to 1984 (Table II). Continued population growth is expected in 1985 and 1986. As the economy has expanded Alaska is considered less and less as an undeveloped outpost—a place to come and earn your fortune only to return to the continental United States. More and more people are arriving with their families or remaining after marriage or retirement. Incomes earned in Alaska are more likely to be spent in Alaska, especially as many of the previously unavailable goods and services are now available locally. An older population usually has more disposable income. All these factors will contribute to employment growth in the trade; services; and finance, insurance and real estate industries.

Table II
Population 1/
Alaska and Selected Communities

	Preliminary Est. 1984 Population	July 1, 1983 Population	July 1, 1982 Population
State of Alaska	538,000 2/	510,554	460,837
Anchorage, Municipality of	244,030 3/	227,070	200,503
Fairbanks-North Star Borough	•	64,810	59,222
Juneau, City and Borough	•	25,964	22,030
Matanuska-Susitna Borough	•	29,849	25,212

1/ Because of the various estimates of population by different government agencies the direction and magnitude of change is more important than the absolute values.

2/ Preliminary estimates by Research and Analysis, Population Unit.

3/ Estimated by Municipality of Anchorage.

• Unavailable

Source: Department of Labor, Research and Analysis, Population Unit.

Nonagricultural Employment Trends

Alaska nonagricultural employment increased by 2.3% during 1984 compared to the corresponding period of 1983 (Table III). This compares to a 6.3% annual average growth in 1983, 7.2% in 1982, and 9.1% in 1980. State spending of oil related tax revenues has been one of the most important factors in Alaska's economic growth since 1979. State spending stimulates construction, state government, and expansion of secondary industry employment. It is these industries which have shown consistent and, in some cases, spectacular growth since 1980.

Table III
Nonagricultural Wage and Salary Employment*
Alaska

	Annual Avg. 1983	Annual Avg. 1984	Percent Change	Number of Jobs
Nonag. Wage & Salary	213000	217800	2.3	4800
Mining	8300	8100	-2.5	-200
Construction	20300	19000	-6.5	-1300
Manufacturing	12200	11600	-4.9	-600
Food & Kindred Prod.	6800	6300	-7.4	-500
Lumber & Paper Prod.	2500	2400	-4.0	-100
All Other Mfg.	2900	3000	3.4	100
Trans. Comm. & Utilities	18600	18900	1.6	300
Trucking & Whseing.	2200	2300	4.5	100
Water Transportation	1400	1400	0.0	0
Air Transportation	5800	5900	1.7	100
Other Trans. Comm. & Utilities	9200	9300	1.1	100
Trade	41900	44100	5.3	2200
Wholesale	8000	8500	6.2	500
Retail	34000	35600	4.7	1600
Gen. Mer. & Apparel	4800	5100	6.3	300
Food Stores	5600	6000	7.1	400
Eating & Drinking Places	11900	12200	2.5	300
Other Retail Trade	11700	12300	5.1	600
Fin.-Insurance & Real Estate	10500	11200	6.7	700
Services and Misc.	38900	40600	4.4	1700
Government	62300	64600	3.7	2300
Federal	17800	17900	0.6	100
State	18800	19300	2.7	500
Local	25700	27400	6.6	1700

* 1983 annual average is based on six months 202 data and six months of estimated values. 1984 annual average is based on ten months of estimates and two months of forecasts. Total may not equal the sum of subareas due to rounding.

The past two years of Alaska's economic expansion have been led by construction activity and growth in the trade, services, and government sectors of the economy. With some evidence of overbuilding at the beginning of the year the slowdown in construction anticipated to occur in 1984 failed to materialize. Led by a continued expansion in residential and commercial space and state capital projects, construction employment in 1984 was down from 1983 levels but still represented one of the best years since the pipeline days. Growth in residential, commercial, and public works projects largely offset the decline in North Slope oil and gas construction activities.

Growth in Alaska's support industries (trade, services, and finance insurance and real estate) occurred as Alaska's economy continued to diversify and mature. Trade employment grew as visitors to Alaska increased and import substitution occurred (more goods were purchased locally rather than from outside Alaska). Following the national trend, Alaska's service industry represents an increasing share of Alaska's employment. The demand for locally purchased goods and services is an indication that Alaska may have finally progressed from the frontier image of the past, at least in the larger communities.

Government also increased its employment as a growing population increased the demand for government services. The biggest gains were in local government as growth in school enrollments increased the need for school staff and a larger population required expanded community services. State government kept pace with the growth in the state's population and the growth in total nonagricultural wage and salary employment.

Economic Outlook

Alaska's employment is forecast to continue to grow through the first half of 1986 but at a much slower rate than experienced over the past few years. A decline in construction employment during 1985 will be offset by increases in other industries in Alaska's economy, especially in the trade and service sector. Scheduled North Slope projects will result in an improved employment outlook for construction and other firms that support North Slope activities in the first half of 1986. (Tables IV and V).

Mining

Oil and gas accounts for approximately 90% of Alaska mining employment. Oil and gas employment suffered a major decline in late 1982 due to layoffs by drilling and oil field service companies. While 1983 saw significant development activity on the North Slope little development activity is planned for 1984 and 1985. Several projects are scheduled to begin in 1986 and these should come on stream as planned. Significant investments have been made as pre-construction work has been completed or contracted. Materials for these projects are being gathered for future delivery to Alaska. The economic outlook for oil prices would have to be much less attractive than at present to cause these projects to be cancelled. With the current world surplus of crude oil and little prospect for improvement in world oil prices, oil exploration and development activities in Alaska are not expected to add to current levels of oil and gas related employment during the forecast period. Some growth is anticipated in coal, precious metals, and nonmineral mining employment.

Construction

Construction is the key to current employment forecasts. Construction employment is forecast to drop from 1982/1983 levels in the forecast period. No major construction activity is planned in oil and gas in 1985. Projects planned for 1986 will not affect construction until the fall of 1986, beyond the forecast period. A significant surplus of residential and commercial space available in the three major communities in Alaska, as evidenced by the increase in vacancy rates and a decline in building permits issued, means less construction activity in residential and commercial construction are expected.

State spending is unlikely to increase for capital projects as state tax revenues have declined over the past two years and are anticipated to remain at current levels or possibly decline in the years ahead. The reduction in oil prices also affect alternative power projects. Hydroelectric projects that looked attractive when oil prices were over $30 a barrel and expected to increase in cost in real terms are suddenly a more costly source of energy. Activity on Susitna and other hydroelectric projects are likely to be deferred until well beyond the forecast period. All these factors point to a drop in construction employment during the forecast period. The only question is how much of a drop will be experienced and how would it affect secondary and tertiary industries. It is possible the actual decline in construction employment could exceed the forecast decline in that employment, especially if state revenues are much below forecast levels.

Manufacturing

Seafood processing employment declined in 1984 even though 1984 experienced the third largest salmon run on record. A continued decline in crab harvests more than offset a slight gain in employment related to the growth in bottomfish activity. There is little prospect for employment gains during the forecast period. Crab stocks remain low and salmon harvests are not expected to be greater than those of the past three years. While the bottomfish industry is growing it is not expected to contribute to employment gains significantly for many years.

High costs and a strong dollar have contributed to problems in the lumber and paper products segment of Alaska's manufacturing industry. With the refusal of the U.S. Environmental Protection Agency to ease water discharge standards for Alaska pulp mills, declines are expected for wood processing employment. As the Japanese yen recovers, relative to the U.S. dollar, over the year ahead the outlook for logging employment remains positive.

Government

Led by growth in local government employment, total government employment is forecast to increase 2.3% in 1985. Federal government employment will be up slightly as a growing population will increase demands for postal and other federal government services. State government will show a small gain during the forecast period as long as revenues remain at current levels. This growth will be in response to additional service needs of a growing population. Should state revenues fall enough to require cuts in state employment or in capital projects the loss of revenues and employment will be felt throughout the state's economy.

Local government employment will continue to grow at a rate faster than total nonagricultural wage and salary employment. Many communities are trying to provide more services with existing employment but the relatively low tax base of most communities and the increased demand for local facilities and services should result in growth of local government employment.

Secondary Industries

The secondary and tertiary industries consisting of transportation, communication and utilities, finance insurance and real estate, and service (secondary in the sense that they exist to support the basic industry and spending of employees of that industry) will make the major contribution to employment gains during the forecast period. The 1981-1984 surge in population and personal income will continue to generate employment growth in the secondary industries through 1985. In addition, the U.S. Department of Defense has announced that an additional 2,000-2,500 military personnal will be assigned to Alaska. Their presence should add an additional 1,000-1,500 jobs in the private sector beginning in 1986.

Trade

During 1985 the trade sector will continue to expand in response to population growth and demographic shifts in Alaska's population and the purchase of local goods in substitution for goods previously purchased outside Alaska. The availability of consumer goods and services locally is perhaps one of the most dramatic changes in the Alaska economy in the past few years. The increase in the availability of goods and services has not been restricted to the major communities of Anchorage, Fairbanks, and Juneau but there has also been an increase in goods and services to many of the smaller communities around the state. This growth in trade related employment is expected to continue through 1985 and then begin to slow in 1986 as the lack of growth in the basic industries begins to offset the momentum of the secondary industries.

Transportation, Communication and Public Utilities

Growth rates of employment in transportation, communication and public utilities industries are expected to lag overall employment growth rates. The impact of deregulation of air services is just beginning to be felt as Wien Airlines has been forced to reduce its activities in Alaska. Other airlines will be affected as air service carriers respond to new competitive pressures, thereby moderating the gains that would have been expected with the growth in tourism. Other gains in air transportation employment will be at the cost of gains in water transportation employment. The needs of expanding communication services will be met to a larger extent with technical improvements rather than increased employment. Public utilities employment gains will also be moderated as more modern equipment and techniques are invested in Alaska.

Finance, Insurance and Real Estate

Alaska's permissive banking laws have resulted in an expanded, more competitive banking industry that is providing a greater variety of services. A larger more wealthy population has a need for insurance to cover their assets as well as a need for other financial services for investment opportunities. Growth in employment in this industry will continue to outpace total employment growth in response to an increasing population and expanding needs of a growing economy.

Services

Alaska has been gradually improving the availability of business, health, and personal services that are available in state. Medical services have improved rapidly and are expected to continue to improve as will other services. Anchorage has been the main beneficiary of this change as it continues to replace Seattle as the regional center for service related needs for much of Alaska.

Tourism will contribute to growth in hotel and motel and personal services. Even with competition from the Olympics, 1984 was a record breaking year for the tourism industry. The improved "lower 48" economy and with the state's support in promoting tourism this industry should continue to grow at a greater rate than total nonagricultural employment.

Conclusion

Alaska is entering a period of more modest growth in employment, at least relative to the explosive growth of the past four years. Employment is forecast to increase 2.1% in 1985 as a result of population gain and improvement in available goods and services and 3.7% in early 1986 as oil development activities begin to affect mining and its support industries.

With inflation under control and interest rates dropping, improvements in the exchange rate should be favorable to Alaska's timber and fisheries industry by late 1985 and early 1986. These more beneficial exchange rates should also improve the prospects of several mining ventures. Unfortunately the impact of improved exchange rates will not be felt on the mining industry until after the forecast period.

The state is entering a period where growth in employment will be a result of private sector influences rather than expansion of state expenditures. In the near term this growth will be led by the secondary and tertiary industries and local government as they respond to the demands of the rapidly expanded population of the past four years. Longer term (1990's and beyond) growth in employment will be led by the mining industry as prices of oil and minerals adjust to a limited world supply. This gradual shift from dependence on state government as the impetus of economic growth to the private sector for economic expansion means a healthier, more stable Alaskan economy over the long term.

Table IV
Industrial Employment Forecast*
Alaska

	Annual Average 1984	Annual Average 1985	Percent Change	Number of Jobs
Nonag. Wage & Salary	217800	222400	2.1	4600
Mining	8100	8200	1.2	100
Construction	19000	16100	-15.3	-2900
Manufacturing	11600	11800	1.7	200
Food & Kindred Prod.	6300	6500	3.2	200
Lumber & Paper Prod.	2400	2200	-8.3	-200
All Other Mfg.	3000	3100	3.3	100
Trans. Comm. & Utilities	18900	19300	2.1	400
Trucking & Whseing.	2300	2000	-13.0	-300
Water Transportation	1400	1400	0.0	0
Air Transportation	5900	6200	5.1	300
Other Trans. Comm. & Utilities	9300	9600	3.2	300
Trade	44100	46600	5.7	2500
Wholesale	8500	9200	8.2	700
Retail	35600	37400	5.1	1800
Gen. Mer. & Apparel	5100	5600	9.8	500
Food Stores	6000	6300	5.0	300
Eating & Drinking Places	12200	12800	4.9	600
Other Retail Trade	12300	12800	4.1	500
Finance-Ins. & Real Estate	11200	11600	3.6	400
Services & Misc.	40600	43700	7.6	3100
Government	64600	66100	2.3	1500
Federal	17900	18000	.5	100
State	19300	19100	1.6	300
Local	27400	28400	3.6	1000

* 1984 annual average is based on 10 months of estimates and two months of forecasts. Total may not equal the sum of parts due to rounding.

Table V
Industrial Employment Forecast*
Alaska

	1st Half 1985	1st Half 1986	Percent Change	Number of Jobs
Nonag. Wage & Salary	215500	223400	3.7	7900
Mining	8200	8500	3.7	300
Construction	14100	14100	0.0	0
Manufacturing	9700	9800	1.0	100
Food & Kindred Prod.	4600	4500	-2.2	-100
Lumber & Paper Prod.	2100	2000	-4.8	-100
All Other Mfg.	3100	3200	3.2	100
Trans. Comm. & Utilities	18600	18900	1.6	300
Trucking & Whseing.	2000	2000	0.0	0
Water Transportation	1200	1300	8.3	100
Air Transportation	6000	6300	5.0	300
Other Trans. Comm. & Utilities	9400	9500	1.1	100
Trade	44800	47200	5.1	2300
Wholesale	8900	9500	6.7	600
Retail	35900	37600	4.7	1700
Gen. Mer. & Apparel	5200	5700	9.6	500
Food Stores	6200	6500	4.8	200
Eating & Drinking Places	12200	12400	1.6	200
Other Retail Trade	12400	13000	4.8	600
Finance-Ins. & Real Estate	11300	12100	7.1	800
Services & Misc.	42100	45000	6.9	2900
Government	66400	67600	1.8	1200
Federal	17800	17800	0.0	0
State	19600	20100	2.6	500
Local	29000	29800	2.8	800

* 1986 forecast is for first six months only. Total may not equal the sum of parts due to rounding.

Note: All the forecasts were developed by the Box-Jenkins ARIMA (Autoregressive-Integrated-Moving Average) model. ARIMA models are a quantitative method which can be used to produce short-term forecasts of a time series from its own past values. The ARIMA models have proved to be excellent short-term forecasting models. It is especially good when dealing with seasonal data, a problem with Alaska employment data. The weakness of the ARIMA modeling method, as with most modeling methods, its its inability to identify significant turning points in an industry. Because of an anticipated drop in construction employment during the forecast period adjustments to the data were necessary to correct for this deficiency. Each data series is forecastr independently and checked against the industry forecast and the total nonagricultural employment forecast. Available information that might affect the forecast is incorporated into the final results.

ALASKA

By Ed Eboch

Employment declined for the second straight month as seasonal adjustments continued. The biggest declines were in construction, down 18.0%, manufacturing, down 7.3%, and transportation, communications and utilities, down 4.6%. Alaska continued to experience year to year gains in employment, up 2.8% from November 1983. A year to year decline in construction employment was more than offset by major gains in service and local government employment.

While there has been a dramatic decline in housing units authorized in 1984 from the 1983 level, it appears 1984 will still be the third best year for residential housing since 1977. With state expenditures for capital projects, and residential and commercial expansion, 1984 has been an excellent year for construction employment, even though current levels of employment are below 1983 levels.

In early December the Department of Revenue revised its September projections for state revenues. The estimate for the current budget year, FY 85, was revised to $3.314 billion down $89 million from the September projection. For FY 86 the projection was $3.312 billion, down $162 million from the September projection. Lower oil prices have offset the benefits anticipated for FY 86 of production from the Kuparuk River Field. Oil continues to drop in price This during a time when prices traditionally are strong. As spring approaches the ability of the markets to maintain a price at or near current prices will be tested.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/	R/			
	11/84	10/84	11/83	10/84	11/83
Nonag. Wage & Salary	217600	224100	211700	-6500	5900
Mining	7800	7900	7900	-100	-100
Construction	18200	22200	20700	-4000	-2500
Manufacturing	8900	9600	8900	-700	0
Food & Kindred Prod.	3800	4300	3800	-500	0
Lumber & Paper Prod.	2200	2300	2300	-100	-100
All Other Mfg.	2900	3000	2800	-100	100
Trans. Comm. & Utilities	18900	19600	18000	-700	900
Trucking & Whseing.	2100	2300	2000	-200	100
Water Transportation	1300	1500	1400	-200	-100
Air Transportation	6100	6200	5600	-100	500
Other Trans. Comm. & Utilities	9400	9600	9000	-200	400
Trade	44100	44700	44000	-600	100
Wholesale	8400	8500	8100	-100	300
Retail	35700	36200	35900	-500	-200
Gen. Merchandise & Apparel	5200	5100	5300	100	-100
Food Stores	5500	5700	6100	-200	-600
Eating & Drinking Places	12500	12900	11900	-400	600
Other Retail Trade	12500	12500	12600	0	-100
Fin.-Insurance & R. Estate	11500	11400	10800	100	700
Services & Misc.	41800	42300	37900	-500	3900
Government	66400	66400	63500	0	2900
Federal	17500	17700	17700	-200	-200
State	20100	20100	19300	0	800
Local	28800	28600	26500	200	2300

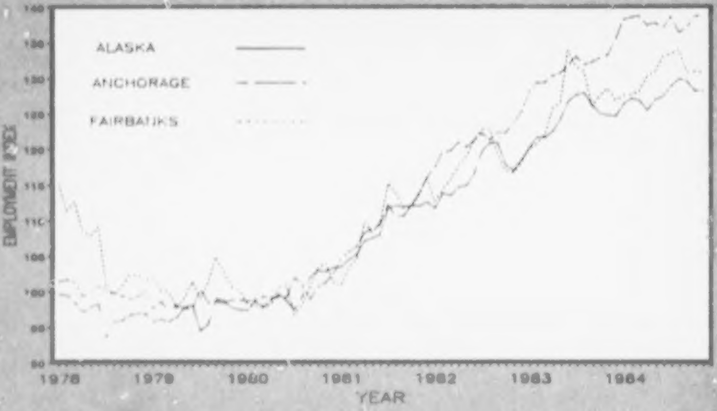
Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

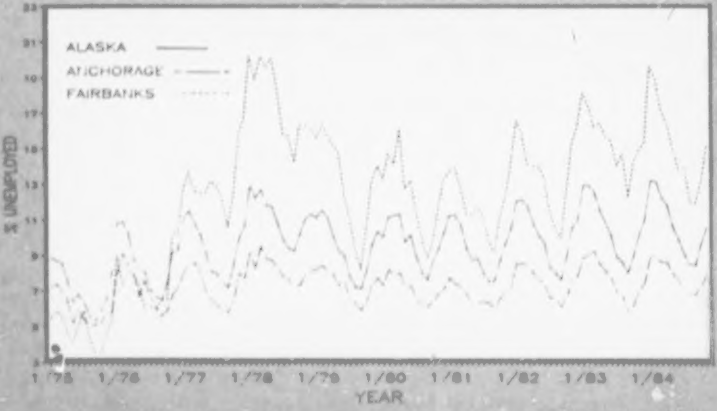
P/ Denotes premilinary estimates.

R/ Denotes revised estimates.



Composite Nonag. Employment Indexes
Seasonally Adjusted
1978 to Present

source: Ak. Dept. of Labor



UNEMPLOYMENT RATES
NCT SEASONALLY ADJUSTED
1975 to Present

source: Ak. Dept. of Labor

ANCHORAGE/MATSU

By Greg Huff

MatSu Employment Overview 1984

In 1984, employment growth in the Matanuska-Susitna Borough continued to respond to rapid population increases and continued high levels of state appropriations. The most complete and current employment data compiled for the MatSu Borough reveals nonagricultural wage and salary employment for the first half of 1984 up 25% over comparable 1983 levels. This the single largest gain in employment in the MatSu Borough's history. The majority of the growth is based in the sectors providing goods and services and in the construction industry. The Wasilla-Palmer area has benefited most by this growth. MatSu's economic growth and employment gains are influenced by its proximity to Anchorage.

State expenditures have provided a catalyst for economic growth in a variety of forms including capital project grants, loan mortgage subsidies, dividend checks and tax relief. Over the past several years, millions of dollars have been appropriated by the state legislature for capital projects ranging from fire houses to road projects. In 1984, the MatSu Borough received $17.5 million in state grants, the majority of which was earmarked for capital construction projects. In 1984, the state has contributed 61% of the MatSu Borough's operating budget, helping hold down taxes and relieving debt obligations while enhancing funding for education. The Alaska Housing Finance Corporation (AHFC) has stimulated the housing market by subsidizing homeowners mortgage payments. Through the first nine months of 1984, Multiple Listing Service (MLS) statistics show that 55% of residential home sales in the MatSu Borough were financed through AHFC.

The population estimate for the Wasilla-Palmer suburban area in 1984 is 27,157 residents, a 14% increase from the 1983 level of 23,742 and a doubling of the population since 1980. Most of MatSu Borough's growth in recent years has been a result of immigration. It has been estimated by Research and Analysis that 89% of the net population gains were a result of immigration, the highest rate in the state. A majority of the newcomers work in Anchorage but take advantage of lower home prices in the MatSu area. MLS statistics show that the average selling price of a single family residence in Anchorage is 27% greater than for a comparable unit in the MatSu Valley. This is very attractive to many Anchorage workers despite the higher transportation cost associated with the extended commuter trip. In 1983, 37% of MatSu Borough residents were employed outside the borough.

This rapid population growth has contributed to employment gains in businesses that provide a variety of goods and services. Fifty percent of all

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 11/84	R 10/84	11/83	P 11/84	R 10/84	11/83	P 11/84	R 10/84	11/83	P 11/84	R 10/84	11/83
Alaska Statewide	240992	243698	228543	25288	23284	23130	10.5	9.6	10.1	215704	220414	205413
Anchorage/MatSu Region	128354	128622	118958	11122	9858	9304	8.7	7.7	7.8	117232	118764	109654
Anchorage	115475	116107	106979	9107	8349	7487	7.9	7.2	7.0	106368	107758	99492
Matanuska-Susitna	12879	12515	11979	2015	1509	1817	15.6	12.1	15.2	10864	11006	10162
Gulf Coast Region	25763	27066	25016	3182	3352	3315	12.4	12.4	13.3	22581	23714	21701
Cordova	1350	1399	1300	141	130	138	10.4	9.3	10.6	1209	1269	1162
Kenai	13217	13851	12875	1711	1768	1818	12.9	12.8	14.1	11506	12083	11057
Kodiak	5866	6270	5637	710	855	682	12.1	13.6	12.1	5156	5415	4955
Seward	1886	1933	1846	276	242	298	14.6	12.5	16.1	1610	1691	1548
Valdez	3444	3613	3358	344	357	379	10.0	9.9	11.3	3100	3256	2979
Interior Region	32613	32621	30876	4969	4167	4529	15.2	12.8	14.7	27644	28454	26347
Fairbanks	26608	26704	25227	4076	3512	3752	15.3	13.2	14.9	22532	23192	21475
Southeast Fairbanks	2648	2617	2481	388	291	327	14.7	11.1	13.2	2260	2326	2154
Upper Yukon	813	780	769	139	86	127	17.1	11.0	16.5	674	694	642
Yukon-Koyukuk	2544	2520	2399	366	278	323	14.4	11.0	13.5	2178	2242	2076
Northern Region	10895	10965	11163	775	735	985	7.1	6.7	8.8	10120	10230	10178
Barrow-North Slope	2888	2911	2989	158	152	244	5.5	5.2	8.2	2730	2759	2745
Kobuk	3431	3440	3503	290	265	344	8.5	7.7	9.8	3141	3175	3159
Nome	4576	4614	4671	327	318	397	7.1	6.9	8.5	4249	4296	4274
Southeast Region	32066	32736	31339	4324	4177	3920	13.5	12.8	12.5	27742	28559	27419
Angoon	418	458	398	51	80	35	12.2	17.5	8.8	367	378	363
Haines	1142	1096	1088	206	132	163	18.0	12.0	15.0	936	964	925
Juneau	11301	11624	11042	1230	1257	1089	10.9	10.8	9.9	10071	10367	9953
Ketchikan	6983	7358	6564	1147	1350	796	16.4	18.3	12.1	5836	6008	5768
Outer Ketchikan	890	860	847	203	152	168	22.8	17.7	19.8	687	708	679
Prince of Wales	1552	1567	1524	268	246	255	17.3	15.7	16.7	1284	1321	1269
Sitka	4494	4535	4511	426	347	490	9.5	7.7	10.9	4068	4188	4021
Skagway	1648	1597	1758	291	200	417	17.7	12.5	23.7	1357	1397	1341
Wrangell-Petersburg	3638	3641	3607	502	413	507	13.8	11.3	14.1	3136	3228	3100
Southwest Region	11301	11688	11191	916	995	1077	8.1	8.5	9.6	10385	10693	10114
Aleutian Islands	2921	3036	2924	97	128	174	3.3	4.2	6.0	2824	2908	2750
Bethel	3678	3824	3618	374	422	400	10.2	11.0	11.1	3304	3402	3218
Bristol Bay Borough	409	437	408	36	53	45	8.8	12.1	11.0	373	384	363
Bristol Bay	1519	1547	1500	124	111	142	8.2	7.2	9.5	1395	1436	1358
Kuskokwim	1011	1021	993	110	94	116	10.9	9.2	11.7	901	927	877
Wade Hampton	1763	1823	1748	175	187	200	9.9	10.3	11.4	1588	1636	1548

P/=Preliminary 1983 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

new jobs in 1984 were based in the trade and service industries. Businesses in wholesale and retail outlets, lodging facilities, medical care, a host of personal and business services, firms providing electricity and telephone services, and financial services have benefited from the rapid population growth in the MatSu region. To meet the growing demands for services (such as road maintenance, law enforcement, and education) government employment increased 11%. Local government employment, in particular the school district, was the fastest growing of the governmental branches. MatSu school employment increased 25% over the year.

Much of the construction activity in the Matanuska Valley was in response to population increases. Roads, schools, homes, retail space, and office space have all been built or are being built to meet the added pressures and demands of a growing population. Residential construction activity appears to have slowed in 1984 but residential markets in the valley remain strong. For the first nine months of 1984, 352 homes were sold according to MLS statistics, only 60 less than the total for 1983. Construction activity in 1984 was concentrated in commercial construction projects ranging from multi-million dollar malls to several "mini" malls, warehouse spaces, thousands of square feet of office space and a large expansion of an existing major mall. The landscape of the area has gone through changes in the last year, including a new stop light on a new four lane section of the Parks Highway in the heart of a rapidly changing Wasilla.

Matanuska-Susitna Borough Employment

	1st Qtr 1984	2nd Qtr 1984	1st Half 1984	1st Half 1983	Percent Change
Total Employment	5631	6532	6082	4855	25%
Mining	12	5	9	22	-59%
Construction	685	1053	869	573	52%
Manufacturing	69	121	95	49	94%
Trans. Comm. & Utilities	532	597	565	492	15%
Trade	1293	1546	1420	1063	34%
Finance-Ins. & Real Estate	246	292	269	200	35%
Services and Misc.	917	978	948	763	24%
Government	1877	1940	1909	1693	13%
Federal	104	109	107	100	8%
State	593	639	616	569	8%
Local	1180	1192	1186	1024	16%

Source: Alaska Department of Labor, Research and Analysis.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P	R		CHANGES FROM:	
	11/84	10/84	11/83	10/84	11/83
Nonag. Wage & Salary	110400	113250	105800	-2850	4600
Mining	3500	3550	3350	-50	150
Construction	9100	11000	9500	-1900	-400
Manufacturing	2450	2700	2350	-250	100
Food & Kindred Prod.	400	500	400	-100	0
Other Mfg.	2050	2200	1950	-150	100
Trans. Comm. & Utilities	8950	9150	8800	-200	150
Trucking & Whsring.	1150	1200	1300	-50	-150
Water Transportation	350	350	300	0	50
Air Transportation	3650	3750	3700	-100	-50
Other Trans. Comm. & Utilities	3800	3850	3500	-50	300
Trade	27900	27950	26700	-50	1200
Wholesale	6300	6300	6000	0	300
Retail	21600	21650	20700	-50	900
Gen. Merchandise	1900	1800	1900	100	0
Food Stores	3000	3050	2600	-50	400
Eating & Drinking Places	8100	8250	7800	-150	300
Other Retail Trade	8600	8550	8400	50	200
Fin.-Insurance & R. Estate	7700	7800	7150	-100	550
Services & Misc.	24650	24900	22950	-250	1700
Government	26150	26200	25000	-50	1150
Federal	10050	10250	9850	-200	200
State	6850	6750	6400	100	450
Local	9250	9200	8750	50	500

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE—MATSU

	P	R		CHANGES FROM:	
	11/84	10/84	11/83	10/84	11/83
Nonag. Wage & Salary	116650	119650	111750	-3000	4900
Mining	3500	3600	3350	-100	150
Construction	9750	11800	10350	-2050	-600
Manufacturing	2550	2850	2450	-300	100
Trans. Comm. & Utilities	9450	9750	9300	-300	150
Trade	29150	29250	27900	-100	1250
Fin.-Insurance & R. Estate	8150	8150	7450	0	700
Services & Misc.	25900	25850	23900	50	2000
Government	28200	28400	27050	-200	1150

FAIRBANKS/INTERIOR

By Neal Fried

Fairbanks Retail Trade Sector

This is the season of the year when retailers do 50% of their business. At the rate retail trade has been growing during the past four years, it appears that Fairbanks has celebrated Christmas year round. The retail trade industry in Fairbanks has been transforming and expanding rapidly since 1980. In 1980, 3,200 jobs existed in the retail trade industry while in 1984 there are 4,800 employed in this industry. There are also 42 more retail trade establishments now than in 1980. In absolute numbers of jobs, it has been the fastest growing industry in Fairbanks' private sector.

Since 1981, when sales taxes were repealed in the borough, there has been little information on how Fairbanks' residents spend their money in the retail market. Every five years, the Bureau of Census produces a Census of Retail Trade for Fairbanks. The information reported in the latest census includes sales, payroll, and employment data. It also provides some breakout regarding the nature of businesses such as individual proprietorships, partnerships, and incorporated establishments. The most valuable information in this report is sales data. Payroll employment, and some establishment data is available from the Alaska Department of Labor on a continuing basis. The report's greatest shortcoming is its lack of timeliness. In spite of its shortcomings, the report provides information on the behavior of Fairbanks consumers.

In 1982, $466 million was spent in Fairbanks' retail trade industry. Of the 607 establishments in Fairbanks, 327 had a payroll, indicating employment other than family members. These 327 establishments were responsible for 98% of the sales. The following discussion regarding sales will include only establishments with payroll because they are responsible for most of the sales and provide the only detailed retail trade data.

In 1982 the average Fairbanks establishment had sales of $1.4 million compared to $1.1 million statewide. The size of Fairbanks' retail market and role as regional center contributes to its larger sales volumes. Not surprisingly, food is the borough's number one consumption item as is true of Alaska and the United States. A full $91 million or 20% of the community's retail dollar was spent on food. This is less than the national average of 23% which may indicate that Fairbanks' residents with more real income spend a greater portion of their income on less basic items.

The second item on Fairbanks' consumption list is the purchasing of automobiles and related services and supplies. If gasoline service stations are included, 24% of the retail dollar spent in Fairbanks goes to automobile transportation, even more than is spent on food. The automobile and related category percentage share is almost identical with that of U.S., but lower 48 residents spent a greater percentage of retail at gasoline service stations than do residents of Fairbanks. This probably reflects the greater road system and greater opportunity to travel by automobile in the lower 48.

Eating and drinking is another item on which residents of Fairbanks spend a large percentage of their income. In 1982, $52 million was spent in restaurants and bars, which represents 11% of the retail dollar. Nationally, this figure is one percentage point lower. Given Fairbanks' higher income, younger population, and higher labor force participation rate it is not surprising that more people in Fairbanks choose to eat out than do their lower 48 counterparts.

Fairbanks residents also spend their money on the building materials, hardware, garden supplies, and mobile homes category. Approximately 7% of the sales is spent on this category, almost double the U.S. average. This may be partially explained by the fact that in 1982 Fairbanks' housing market was on an upswing whereas the rest of the nation had plunged into a deep recession with housing being one of its biggest casualties.

In a majority of the remaining sales categories, it is difficult to pinpoint the actual amount of the retail dollars choosing specific retail items because they are not mutually exclusive. For example, miscellaneous retail, apparel and accessory, and general merchandise stores often sell similar and in many cases, identical items.

Sales per capita figures make for some interesting comparisons. Fairbanks' resident per capita sales figures was $7,750 compared to $4,473 nationally, or 73% above the national average. The wide margin of difference can be explained by demographics, cost of living, and income differences. Fairbanks' popultaion is younger than the nation's and a younger population tends to consume while their older counterparts tend to save a greater percentage of their income. Prices are higher in Fairbanks than for the U.S. in general which boosts the sales figures.

Comparing Fairbanks 1982 sales data with 1977 sales data indicates that total sales grew by 46% in unadjusted dollars, compared to 48% nationally and 78% in Alaska. In inflation adjusted dollars, the numbers indicate sales were no larger in 1982 than in 1977. There are either data problems or this simply points out the frenzied level of activity which took place during pipeline construction and shortly thereafter. If we use 1980 as a new benchmark, however, we know the retail sector as measured by number of establishments and employment has grown dramatically.

Retail Trade Sales

	Fairbanks		Alaska		United States	
	1982 Sales (Mil)	Percent Share	1982 Sales (Mil)	Percent Share	1982 Sales (Mil)	Percent Share
Total Sales	459	100%	3152	100%	1033727	100%
Bldg. Materials & Garden Supplies	42	9%	340	11%	49940	5%
General Merchandise	52	11%	334	11%	119301	12%
Food Stores	92	20%	692	22%	240408	23%
Automotive and Rel.	84	18%	410	13%	187843	18%
Gasoline Stations	27	6%	205	7%	94820	9%
Apparel Stores	13	3%	127	4%	57180	6%
Furniture & Equip. Stores	20	4%	128	4%	45098	4%
Eating & Drinking Places	52	11%	403	13%	100794	10%
Drug Stores	21	5%	136	4%	35777	3%
Misc. Retail	56	12%	374	12%	102565	10%

Source: Bureau of Census. The sum of the sales categories may not equal total sales due to rounding.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK FAIRBANKS

				CHANGES FROM:	
	P/ 11/84	R/ 10/84	11/83	10/84	11/83
Nonag. Wage & Salary	27450	28850	26950	-1100	500
Mining	150	200	200	-50	-50
Construction	2650	3350	2500	-700	150
Manufacturing	550	600	450	-50	100
Trans. Comm. & Utilities	2650	2800	2800	-150	-150
Trucking & Whseing.	450	450	500	0	-50
Air Transportation	650	700	600	-50	50
Other Trans. Comm. & Utilities	1550	1650	1700	-100	-150
Trade	5600	5700	5700	-100	-100
Wholesale	1000	1000	900	0	100
Retail	4600	4700	4800	-100	-200
Gen. Merchandise & Apparel	500	450	400	50	100
Food Stores	750	750	800	0	-50
Other Retail Trade	3350	3500	3600	-150	-250
Fin.-Insurance & R. Estate	1050	1050	1000	0	50
Services & Misc.	5200	5350	5000	-150	200
Government	9600	9500	9300	100	300
Federal	2650	2600	2600	50	50
State	4200	4150	4000	50	200
Local	2750	2750	2700	0	50

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/ 11/84	R/ 10/84	11/83	CHANGES FROM: 10/84	CHANGES FROM: 11/83
Nonag. Wage & Salary	31100	32450	30450	-1350	650
Mining	250	300	350	-50	-100
Construction	2750	3500	2550	-750	200
Manufacturing	550	600	500	-50	50
Trans. Comm. & Utilities	3400	3600	3450	-200	-50
Trade	6000	6100	6100	-100	-100
Fin.-Insurance & R. Estate	1100	1150	1050	-50	50
Services & Misc.	5650	5800	5450	-150	200
Government	11400	11400	11000	0	400

GULF COAST

By Neal Fried

New Seward Prison Boosts Employment

Beginning in 1980, employment statewide has made impressive gains. Seward's employment, on the other hand, has remained flat. There have been some changes in Seward's economy but no overall gains. Growth in tourism has positively affected the area's secondary sectors (trade and services) and increased revenues from the state have made it possible to add personnel to local and state government. Losses in fisheries and lumber, however, have offset most of these modest gains.

Seward's first shipment of coal to international markets may be the first step to permanent changes in the community's local economy. The construction and staffing of the proposed Spring Creek Correction Facility will likely be the second event that impacts Seward's economy. The correctional facility will have an immediate impact on the size of Seward's labor force while the total benefit of the coal facility or other planned projects are yet to be determined.

The present plans for the prison call for a $44 million facility, employing approximately 196 full-time personnel. The payroll is expected to be approximately $5.5 million. Land clearing has already begun and the facility is expected to be completed and open by late 1986 or early 1987. The direct employment alone will increase Seward's total employment by 17%. If direct and indirect employment are considered, Seward's wage and salary employment will grow from its present size of 1,155 to approximately 1,500, and increase of 30%. The community's payroll will grow from $29 million to approximately $39 million. In 1983, Seward's average monthly wage was $2,072. This compares to the projected monthly wage of $2,600 for prison employees. These higher wages should boost family and household income in Seward.

The employment at the prison will be nonseasonal, providing additional stability to what is otherwise a very seasonal economy. In addition to the prison employment, additional state employment will be generated to provide support to Seward's growing population. Local government employment will also increase for similar reasons. This growth will result from an increased population and income. This should help reduce the high unemployment rates which plague Seward's economy each year. Income will be provided to the merchants on a year round basis, which in turn will stimulate growth in the secondary sector through expansion of already existing businesses and attracting new investment.

This entire discussion has isolated the impact of the prison on Seward and does not include growth which may occur from the coal loading operations, the Marine Industrial Center, and continued expansion of tourism. Employment at the prison along with these other sources of potential growth could push Seward's employment numbers considerably beyond the 1,500 level. Seward may very well be bucking a statewide trend. Statewide employment growth is presently slowing down while Seward employment may be just beginning on a rapid ascent.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	11/84	10/84	11/83	10/84	11/83
Nonag. Wage & Salary	19150	20300	18750	-1150	400
Mining	750	750	700	0	50
Construction	1850	2600	2050	-750	-200
Manufacturing	2400	2450	2000	-50	400
Food & Kindred Prod.	1750	1750	1350	0	400
All Other Mfg.	650	700	650	-50	0
Trans. Comm. & Utilities	2100	2150	2250	-50	-150
Trade	3100	3250	3200	-150	-100
Wholesale	350	400	450	-50	-100
Retail	2750	2850	2750	-100	0
Fin.-Insurance & R. Estate	550	550	500	0	50
Services & Misc.	3000	3250	2950	-250	50
Government	5400	5300	5100	100	300
Federal	550	550	550	0	0
State	1650	1650	1500	0	150
Local	3200	3100	3050	100	150

SOUTHEAST ALASKA

By John Boucher

Southeast Alaska nonagricultural wage and salary employment decreased by 1,100 jobs in November to 28,050, a 3.8% decline in the number of jobs in the region. The decline was spread across nearly every industry, the exceptions being government and finance, insurance and real estate, both of which held steady during the month.

The construction, manufacturing, trade and services industries all dropped over the month, largely due to seasonal fluctuations. Construction activity, especially heavy construction, dropped precipitously over the month. Activity in the heavy construction sector slowed due to the very cold November experienced in the region as work involving the use of cement dropped dramatically. The Thanksgiving day storm, which caused millions of dollars in damage to the communities of northern Southeast, may be a shot in the arm to slumping construction employment. Repairs expected to start after January 1st will help bolster next season's employment which is anticipated to be down 5% from 1984's annual average.

Manufacturing employment continued to have its problems in November, falling more than 10% from the same month one year ago. A large portion of the year to year decrease is attributable to the recent closing of Louisiana Pacific's Ketchikan pulp mill, however, this is not the sole cause. Even logging activity, the strongest employment sector during the recent downturn is showing slight decreases when compared to November of 1983.

Trades and services employment fell in large part because of a slowdown in tourist related employment. A fall of more than 100 jobs in the hotel and motel sector of services accounted for the bulk of the decline in services employment. The trade employment drop was largely the effect of eating and drinking establishments paring staff that was put on for the summer season.

Southeast Unemployment

Southeast Alaska was plagued by high unemployment for the second month in a row. Unemployment in the three census divisions affected the most by the closure of Louisiana Pacific's pulp mill ranged from 16.4% to 22.8% (see the center insert). Five of the highest six local unemployment areas in the state were located in the Southeastern region in November. This is almost a direct contrast to earlier in 1984 when unemployment in Southeast was amongst the lowest in the state.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P	R		CHANGES FROM:	
	11/84	10/84	11/83	10/84	11/83
Nonag. Wage & Salary	28050	29150	27600	-1100	450
Construction	1750	2050	2000	-300	-250
Manufacturing	2350	2650	2550	-300	-200
Food & Kindred Prod.	450	600	450	-150	0
Lumber & Paper Prod.	1650	1800	1850	-150	-200
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2000	2100	1950	-100	50
Trade	4600	4800	4600	-200	0
Wholesale	450	500	400	-50	50
Retail	4150	4300	4200	-150	-50
Fin.-Insurance & R. Estate	1050	1050	1000	0	50
Mining, Services & Misc.	4400	4600	3950	-200	450
Government	11900	11900	11550	0	350
Federal	2150	2150	2200	0	-50
State	5450	5500	5250	-50	200
Local	4300	4250	4100	50	200

HOURS AND EARNINGS

By Kathleen Thomas

October continued its seasonal decline with all industries experiencing a decrease in average weekly hours except retail trade, which remained unchanged. The only industry with an unseasonally large drop in average weekly hours was the lumber and paper products sector of manufacturing. Average weekly hours in lumber and paper products dropped 14.5% from the October 1983 level. A major pulp mill in the Southeast, though temporarily activated for cleanup, remained closed during this period.

The transportation, communication, and utilities industry has been having a decline in average hourly earnings for a number of months that is unexplainable by seasonal variations. One possible reason is a change in the structure of industry wage rates in the transportation industry. Some of the more recent labor contracts in transportation have featured a two-tiered wage system whereby new entrants into the industry are paid at a lower rate than already established employees. As these new employees enter the work force, overall average hourly earnings will be declining.

The Construction and Mining Industry

With the passage of the Trans-Alaska Pipeline System Authorization Act of 1973 the construction industry experienced a boom. In 1972 annual average weekly hours for construction employees was 40.3 hours. By 1976 average weekly hours reached 60.1, a 49% increase in the work week. Employment experienced similar changes with a 1972 average annual employment of 7,900. As in average weekly hours, employment peaked in 1976 at 30,300. The largest changes occurred between 1974 and 1975 when average weekly hours increased 28.8% and employment increased 96.2% during the same time period. Both average weekly hours and employment began to decline in 1976 and neither has approached the 1976 level of activity since. Even during the 1983 construction boom, construction employment was only 67% of 1976 employment.

Throughout the pipeline period average hourly earnings rose at a fairly rapid rate. Between 1972 and 1977, average hourly earnings increased 82%. At the end of the major portion of pipeline construction activity, average hourly earnings dropped slightly before increasing again, albeit at a slower rate. Between 1977 and 1983 average hourly earnings increased 31.3%, a far cry from the 82% change from 1972 to 1977.

On the other hand, changes in the mining industry, which includes oil and gas, have been more gradual, not subject to the sharp peaks and sudden valleys of the construction industry. After a brief decline in employment from 1972 to 1973, average annual employment in mining jumped 45%.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 10/84	r/ 9/84	10/83	p/ 10/84	r/ 9/84	10/83	p/ 10/84	r/ 9/84	10/83
Mining	$24.21	$23.64	$23.94	49.8	50.4	50.3	$1205.66	$1191.46	$1204.18
Contract Construction	24.53	24.87	24.98	43.4	45.6	41.5	1064.60	1134.07	1036.67
Manufacturing	15.19	12.13	15.01	31.2	36.5	31.4	473.93	442.75	471.31
Food & Kindred Products	9.31	8.36	8.72	22.8	34.6	21.5	212.27	289.26	187.48
Lumber & Paper Products	17.69	16.89	18.52	34.3	36.0	40.1	606.77	608.04	742.65
Trans. Comm. & Utilities	15.77	15.85	16.37	37.3	38.7	37.1	588.22	613.39	607.33
Trade	10.71	10.82	10.11	34.8	35.3	35.7	372.71	381.95	360.93
Wholesale	12.99	13.58	12.08	38.1	39.6	39.4	494.92	537.77	475.95
Retail	9.79	9.63	9.28	33.7	33.7	34.3	329.92	324.53	318.30
Fin.-Insurance & Real Estate	—	—	—	—	—	—	400.81	388.72	359.56

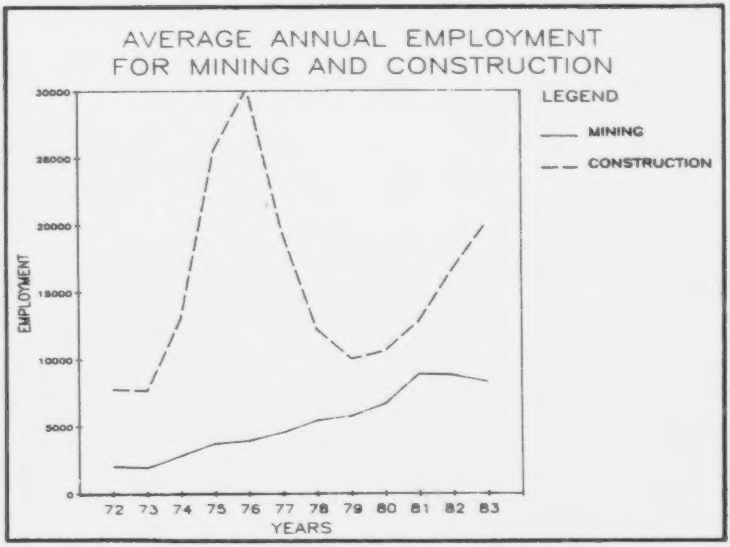
1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

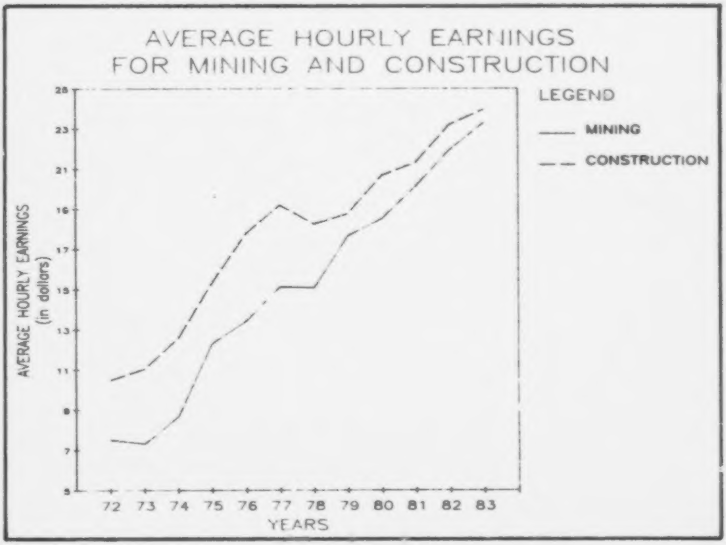
Average Annual Employment in Mining and Construction

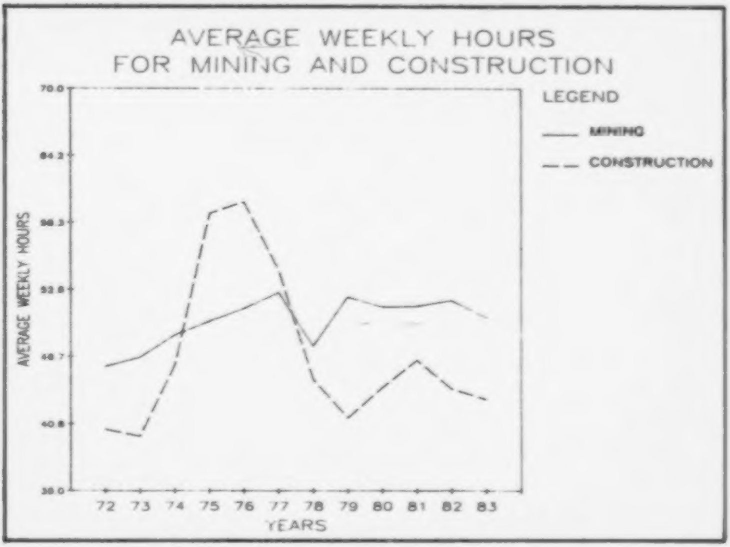
	Mining	Construction
1972	2100	7900
1973	2000	7800
1974	2900	13100
1975	3800	25700
1976	4000	30300
1977	4600	19500
1978	5500	12300
1979	5800	10100
1980	6700	10700
1981	8900	12900
1982	8800	16800
1983	8300	20300



Average Weekly Hours and Average Hourly Earnings for Mining and Construction

	Mining		Construction	
	Avg. Weekly Hours	Avg. Hourly Earnings	Avg. Weekly Hours	Avg. Hourly Earnings
1972	45.8	7.50	40.3	10.48
1973	46.6	7.31	39.7	11.04
1974	48.5	8.69	45.9	12.56
1975	49.7	12.28	59.1	15.32
1976	50.8	13.41	60.1	17.76
1977	52.2	15.09	54.1	19.16
1978	47.5	15.05	44.6	18.23
1979	51.8	17.64	41.3	18.73
1980	50.9	18.49	43.9	20.65
1981	51.0	20.10	46.3	21.28
1982	51.5	21.94	43.8	23.19
1983	50.0	23.27	42.9	23.94





Mining employment continued to increase, though at a slower rate, until 1982 when employment began to decline. Average weekly hours in mining climbed steadily from 1972 through 1977. In 1978 average weekly hours dropped 9% before rising again in 1979. From 1979 through 1983 average weekly hours moderated.

Average hourly earnings displayed the most dramatic changes. During the prime years of oil exploration and development for which data is available, 1972 through 1977, average hourly earnings increased 101.2%. For a similar but later period, 1978 through 1983, average hourly earnings increased 54.6%. Overall, the discovery of oil and its subsequent development have left an indelible impression of Alaska's mining and construction industries.

3/5/85

FEBRUARY 1985 S0320-1 A

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

1 Fish Harvesting and Fish Processing in Alaska, 1982

ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

February 1985
Volume 5
Issue 2

CONTENTS

Fish Harvesting and Fish Processing in Alaska, 1982..................1

Alaska 9
Anchorage/Matsu 13
Fairbanks/Interior.................................21
Gulf Coast..24
Southeast...27
Hours and Earnings 31
Labor Force By Region and Census Division............. Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

FISH HARVESTING AND FISH PROCESSING IN ALASKA, 1982

By Kathleen Thomas

The fishing industry is an integral part of Alaska's economy. Almost all coastal communities are affected by the fortunes of fishing. In 1982 annual average fish harvesting and fish processing employment comprised 7.2% of statewide annual average employment (nonagricultural wage and salary employment plus fish harvesting employment). During July, the peak month in 1982 for fish harvesting and processing employment, the industry comprised 16.4% of statewide employment. This percentage is exclusive of secondary and tertiary employment generated by the fishing industry such as boat repairs and the sale of gas and oil, food, equipment, and other supplies, or fishing income spent in local communities. Total 1982 ex-vessel fishery value (the value of the fish paid to the fish harvester) combined with total fish processing wages paid in 1982 was equal to $686 billion, 11.1% of the statewide total yearly nonagricultural employment payroll plus fishing ex-vessel value.

Nonagricultural wage and salary employment does not include fish harvesting employment. For that reason fish harvesting employment and wages are added to nonagricultural wage and salary employment and wages when making comparisons between the fishing industry and statewide employment and income. Fish processing employment is considered to be nonagricultural employment; therefore, no adjustments need to be made for the purpose of making comparisons between fish processing employment and statewide nonagricultural wage and salary employment.

Because of the significance of the fishing industry to Alaska, a full body of knowledge must be available in order to make effective policy and management decisions for the fishing industry. Until recently a systematic estimation of fish harvesting employment had not been completed. Periodic estimations of fish harvesting employment have been performed previous to 1977 but estimates to provide a time series of employment had not been completed until the Department of Labor, Research and Analysis Section began to develop fish harvesting employment estimates in 1977. Estimates of fish processing employment are made monthly in *Alaska Economic Trends* and are included in the food and kindred products sector of manufacturing employment.

Many problems arise when trying to make an accurate count of fish harvesting employment. Throughout the season fishermen may fish for more than one species, use more than one gear type, and fish more than one area. These transitions make it difficult to establish an actual count of fish harvesting employment. To overcome these limitations a methodology was developed by Rogers and Listowski to estimate fish and seafood harvesting employment by species, gear type, area fished, and month. This same methodology is used to derive 1982 estimates of fish harvesting employment for Alaska.

To determine the number of people involved in fish harvesting in an area it is necessary to have a count of the number of vessels in that area, the gear type used, species fished, and the number of crew members for each vessel.

This is accomplished in three parts. First, a survey is conducted of fishing associations, government agencies, individual fishermen, and fishery biologists to determine the average crew size of each type of fishing vessel that fished with a particular gear type in a particular region. Second, the number of vessels fishing with a particular gear type and in a particular area must be determined. The Commercial Fisheries Entry Commission (CFEC) produces a report of the number of unduplicated landings at fish processors made by fishing boats. The data is obtained by the CFEC from fish ticket files maintained by the Alaska Department of Fish and Game, Division of Commercial Fisheries. Finally, by multiplying the crew factor by the boat landings an estimate of the number of people employed in fish harvesting can be determined.

An estimate is also made of earnings for fish harvesting. In lieu of actual wage data, total fishery volume and value obtained from CFEC gross earnings files are used to compare the different gear types and species of fish and seafood. Volume and value of each fishery is also used to evaluate year to year changes in fish harvesting employment as a result of changes in volume and value.

A natural counterpart to fish and seafood harvesting is fish and seafood processing. Most fish must be processed promptly to preserve the quality required by consumers. At times, the primary processing occurs in Alaska with the fish and other seafood transported to secondary processors for distribution. Only that processing employment that occurs in Alaska is presented in this article.

Fish processing employment numbers are obtained from a compilation of reports submitted by firms in compliance with state unemployment insurance laws. These quarterly reports contain employment for each month of the quarter and total wages for the quarter. Employment figures for fish and seafood processing are derived from standard industrial classification (SIC) codes 2091, canned and cured fish and seafood; 2092, fresh or frozen packaged fish and seafood; 4222, refrigerated warehousing; and 5146, wholesale trade (fish and seafoods). Fish processing employment figures are more precise than fish and seafood harvesting employment figures. Fish and seafood processing employment cannot be delineated by species processed due to reporting requirements and the fact that one processor may handle more than one species.

A wide range of activities are included in fish and seafood harvesting and processing. Harvesting employment includes captains and crews, those people actually working on the fishing vessels. Fish processing employment employs a wider range of occupations. Fish processing employment includes everyone employed from tender crews to cannery workers to cold storage.

Fish and seafood harvesting and processing data are organized to correspond with four of Alaska's six labor market areas: Southeast, Gulf Coast, Southwest, and Northern. The statewide totals are the total of the four regions plus a miscellaneous category. Since the data are estimates, any further disaggregation would make the data less reliable. Fish processing data are organized to correspond to fish harvesting areas. Fish processing information is available at the census division level but is subject to limits imposed by confidentiality restrictions.

Several factors affect participation in fish harvesting employment but analysts are amazed at the tenacity of fish harvesters to remain fishing in the face of low stocks, low prices, and poor working conditions. Under economic theory one would expect fishermen to quit plying the waters once the value of the fish caught drops below the cost of catching the fish. One aspect of fishing that keeps harvesters in the water is a multitude of species and mobility of the vessels. (This also makes employment in fish harvesting difficult to count.) When the value or stock of one species of fish or seafood declines, vessels are able to physically move to more productive waters and, within certain limits, alter the gear type to target their effort on another species. Some of the limitations to convertibility are boat size, limited entry, cost of boat or gear conversion, and fishing regulations.

A second factor that discourages the exit of fishermen from the industry is the cost of leaving the industry. Fishermen continue to fish as long as the variable costs (fuel and oil, bait, and other supplies consumed in a season) can be paid in the hope of an improved season the following year. One reason is a salvage value of the fixed assets (such as boat, permit, and gear) that is lower than the acquisition cost of those assets. Given that the fisherman would lose money by selling boat and gear, the fisherman is reluctant to relinquish those assets in the hope that cyclical stocks will rebound and fishing will once again be profitable.

Finally, even if the fishery declines for a series of seasons, fishermen are unwilling to change their way of life. Prices received for fish would have to drop to the point where the full vessel payments could not be met for a period of seasons before fish harvesters would be likely to sell out and move into other occupations. A cost is also associated with the transfer of occupations. Costs are incurred for retraining or even for moving to areas with better labor possibilities. The ones who could easily make the transition from fishing are those fish harvesters who are already engaged in another occupation between fishing seasons. However, this second occupation also allows them to continue operating longer than they might otherwise.

As an example of the willingness of fish harvesters to remain fishing despite difficulties, shellfish volume from 1980 to 1982 decreased 61% while shellfish employment increased 11.4% during the same period. Most of the vessels engaged in crab harvesting are in the 50 to 150 foot range making them difficult to convert to another fishery and difficult to sell since the vessels are specialized for crabbing. Only if crab stocks remain low will the vessels be sold or converted.

Unlike fish harvesters, which are usually small operations of the owner operated vessel plus the crew, fish processors are large firms that hire employees on a seasonal basis. The employees of processors are less attached to the work force since they have less direct investment in the firm than a fish harvester would have in a fishing operation. This situation makes fish processing employment subject to immediate market conditions. From 1981 to 1982 annual average statewide fish processing employment decreased 15.7%. The reasons for the employment drop range from a change in species mix to a change in production factors.

One factor affecting fish processing employment is large volume drops in the shellfish catch. Effort to harvest shellfish remained high to cash in on high ex-vessel prices but the volume caught dropped 87,473,000 pounds or 37.8% from 1981 to 1982. By examining fish processing employment one sees the largest monthly differentials occur during October, November, and December between 1981 and 1982 when monthly employment decreased an average of 34.5%. These are the prime shellfish harvesting months. Meanwhile during July, August, and September (the prime salmon harvesting months) fish processing employment decreased an average of 1.7% from 1981 to 1982. Both 1981 and 1982 saw high levels of fish caught.

Another factor that contributed to declines in fish processing employment was the record breaking 1981 fishing season. A high 1981 canned salmon inventory was carried into 1982. The movement of these inventories was slowed by the botulism scare in the spring of 1982. These high inventories pushed the processors to switch production from canned salmon to fresh and frozen salmon. The 1982 canned salmon pack was 47% less than the 1981 pack. The percentage of the salmon catch that was canned dropped from 55% to 32%. The percentage of the pack that was frozen increased from 45% to 68%. From 1981 to 1982 the amount of fresh salmon processed increased 33.8%. The significance this has on fish processing employment is that frozen or fresh salmon requires fewer numbers of employees than canned salmon. With a switch to fresh and frozen salmon the number of people working in fish and seafood processing industry-wide declined.

Though bottomfish comprised only 7% of the total catch in 1982 it has the potential for affecting fish processing employment in the future. Between 1981 and 1982 the bottomfish catch increased 66%, from 39,888,000 pounds to 66,323,000 pounds. Indications are that 1983 experienced similar increases. With the current demise in the crab fishery the larger crab boats are switching to bottomfish trawling thereby portending an increase in bottomfish volumes in the future. Unless more shore-based facilities are developed these fish will probably be processed by foreign joint ventures. Foreign joint ventures are counted for unemployment insurance purposes only if they perform their processing functions within the three mile limit of state jurisdiction. If the processing occurs outside of three miles the state does not require that the employment be reported. Due to this limitation an increase in bottomfish production may not increase Alaska's fish processing employment or at best increase fish processing employment at a slower rate than bottomfish production.

To refine fish harvesting employment estimates, efforts are being made to improve the current methodology. A survey of permit holders is being planned to improve the critical crew factor data and the Commercial Fishing Entry Commission is adjusting the computer programs to improve the landings data. More accurate data will make the fish harvesting employment estimates more reliable.

The data presented in this article are summarized. A more detailed presentation of data and discussion of results is presented in *Alaska Fish Harvesting and Processing Employment 1982* currently being published.

Fish and Seafood Processing
Annual Average Employment

	1981	1982	% Change from 1981 to 1982
Southeast	2068	1541	-25.5
Gulf Coast	3190	2905	-8.9
Southwest	2378	2057	-13.5
Northern	195	102	-47.7
Statewide[1]	7830	6604	-15.7

[1] May not sum due to rounding.

Fish and Seafood Harvesting Average Annual Employment
1981

Species/Gear	Southeast	Gulf Coast	Southwest	Northern	Statewide
Salmon					
Purse Seine	339	624	269	—	1231
Drift Gillnet	224	397	919	803	2343
Beach Seine	—	23	—	—	23
Set Gillnet	98	320	384	—	801
Power Troll	482	—	—	—	482
Hand Troll	260	—	—	—	260
Traps	—	—	—	—	—
Fish Wheels	—	—	—	22	22
Shellfish					
King Crab-Pots	25	256	431	17	728
Dungeness-Pots	41	103	•	—	144
Tanner-Pots	34	166	304	—	504
Shrimp-Pots	18	39	1	—	57
-Beam Trawl	13	6	—	—	18
-Otter Trawl	1	34	4	—	40
-Double Otter Trawl	—	32	3	—	35
Scallops-Dredge	10	23	—	—	34
-Otter Trawl	1	—	—	—	1
Clams-Dredge	—	—	—	—	—
Clams-Shovel	—	20	—	—	20
Halibut					
Licensed-Longline 1/	270	260	22	—	552
Unlicensed Longline	30	41	3	—	74
Power Troll/Jigs	3	2	3	—	9
Hand Troll	2	—	—	—	2
Bottomfish					
Longline 2/	29	4	1	—	34
Otter Trawl	3	10	27	—	39
Double Otter Trawl	—	2	—	—	2
Beam Trawl	—	—	•	—	•
Pots	—	—	—	—	—
Power Troll/Jigs	1	5	•	—	6
Hand Troll	1	—	—	—	1
Sablefish/Black Cod					
Longline	56	—	—	—	56
Pots	1	—	—	—	1
Herring					
Purse Seine	42	66	63	—	171
Roe Kelp	—	22	—	•	22
Set/Drift Gillnet 3/	35	45	27	73	180
Pair Trawl	—	1	—	—	1
Miscellaneous 4/	—	—	—	—	6
Total	2019	2500	2461	915	7898

See footnote, page 8.

Fish and Seafood Harvesting Average Annual Employment
1982

Species/Gear	Southeast	Gulf Coast	Southwest	Northern	Statewide
Salmon					
Purse Seine	418	519	283	—	1221
Drift Gillnet	232	471	895	804	2402
Beach Seine	—	16	—	—	16
Set Gillnet	94	333	378	—	804
Power Troll	527	—	—	—	527
Hand Troll	248	—	—	—	248
Traps	—	—	—	—	—
Fish Wheels	—	—	—	17	17
Shellfish					
King Crab-Pots	33	299	307	44	683
Dungeness-Pots	70	147	8	—	226
Tanner-Pots	53	230	270	—	552
Shrimp-Pots	26	39	—	—	65
-Beam Trawl	11	3	—	—	14
-Otter Trawl	1	26	1	—	28
-Double Otter Trawl	—	27	*	—	27
Scallops-Dredge	8	20	—	—	28
Clams-Dredge	—	—	—	—	—
Clams-Shovel	—	25	—	—	25
Halibut					
Licensed-Longline *1/*	315	412	52	—	779
Unlicensed Longline	29	50	5	—	83
Power Troll/Jigs	5	4	—	—	9
Hand Troll	2	—	—	—	2
Bottomfish					
Longline *2/*	23	3	1	—	27
Otter Trawl	3	22	49	—	73
Double Otter Trawl	—	*	—	—	*
Beam Trawl	—	—	*	—	*
Pots	—	—	—	—	—
Power Troll/Jigs	1	1	—	—	2
Hand Troll	*	—	—	—	*
Sablefish/Black Cod					
Longline	59	3	—	—	62
Pots	1	—	—	—	1
Herring					
Purse Seine	44	52	71	—	167
Roe Kelp	—	12	—	2	14
Set/Drift Gillnet *3/*	19	30	64	64	177
Miscellaneous *4/*	—	—	—	—	7
Total	2220	2744	2385	930	8285

See footnote, page 8.

1/ Licensed and unlicensed longline gear categorized by vessel weight: Licensed = 5 net tons or more; Unlicensed = less than 5 net tons.
2/ Longline gear net differentiated for bottomfish.
3/ Set and drift gillnet gear combined for herring.
4/ Contains gear and specie combinations not elsewhere classified. A value of 1 was assigned to each unduplicated landing.

* Average annual employment is less than .5.

ALASKA

By Ed Eboch

Nonagricultural wage and salary employment declined in December as seasonal layoffs affected construction and state and local education employment. While the unemployment rate for December was down significantly from November the annual average rate for 1984 was above that of 1983 as employment growth slowed.

Unemployment Rate
by Region and Selected Census Divisions
1982-1984 Annual Average

	Unemployment Rates		
	1982	1983	1984
Alaska Statewide	10.0	10.4	10.5
Anchorage-Matsu Region	8.0	8.3	8.5
Anchorage	7.4	7.6	7.8
Matanuska-Susitna	13.5	15.1	14.6
Gulf Coast Region	13.5	13.2	12.8
Interior Region	13.3	15.1	14.8
Fairbanks	13.5	15.3	15.0
Northern Region	8.1	8.7	9.1
Southeast Region	11.3	12.3	12.9
Juneau	8.5	9.7	10.6
Southwest Region	10.4	9.6	9.4

Initial data indicated less people looking for work in December, than would be normal for this time of year, which reduces the workforce faster than the drop in employment. However, initial claims in the key week for January 1985 were above the like period last year.

Services Employment

With the growth of tourism in Alaska and the demand for personal and business services expanding the service sector has been one of Alaska's fastest growing industries. From the second quarter 1981 to the second quarter 1984 (the most recent actual data) service related employment grew 29.4% versus a growth in total nonagricultural employment of 20.1%. The service employment share of total employment grew from 17.9% to 19.3% during this period.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/	R/			
	12/84	11/84	12/83	11/84	12/83
Nonag. Wage & Salary	213300	218000	206200	-4700	7100
Mining	7800	7700	7700	100	100
Construction	16200	18500	17200	-2300	-1000
Manufacturing	8300	8800	7800	-500	500
Food & Kindred Prod.	3400	3800	3000	-400	400
Lumber & Paper Prod.	1900	2100	2000	-200	-100
All Other Mfg.	3000	2900	2800	100	200
Trans. Comm. & Utilities	18400	18700	17700	-300	700
Trucking & Whseing.	2100	2200	2000	-100	100
Water Transportation	1300	1300	1400	0	-100
Air Transportation	5700	5800	5500	-100	200
Other Trans. Comm. & Utilities	9300	9400	8800	-100	500
Trade	44400	44500	44400	-100	0
Wholesale	8400	8500	8100	-100	300
Retail	36000	36000	36300	0	-300
Gen. Merchandise & Apparel	5400	5200	5600	200	-200
Food Stores	5500	5600	6100	-100	-600
Eating & Drinking Places	12300	12600	11900	-300	400
Other Retail Trade	12800	12600	12700	200	100
Finance-Ins. & Real Estate	11300	11400	10900	-100	400
Services & Misc.	41100	41800	37700	-700	3400
Government	65800	66600	62800	-800	3000
Federal	17700	17600	17800	100	-100
State	19500	20100	18700	-600	800
Local	28600	28900	26300	-300	2300

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

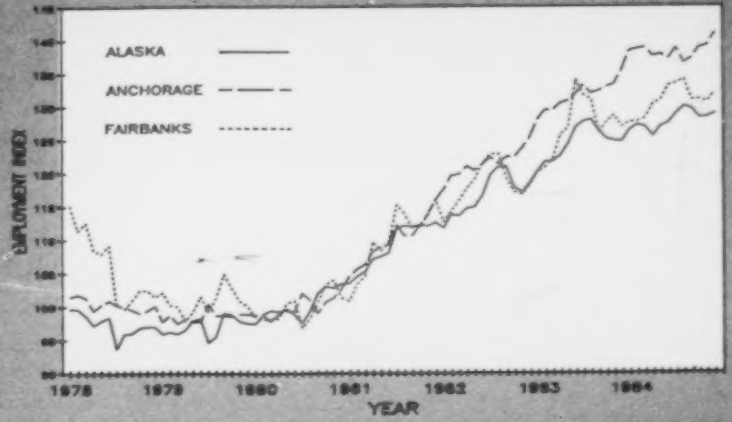
P/ Denotes premilinary estimates.

R/ Denotes revised estimates.

Service Industry Employment

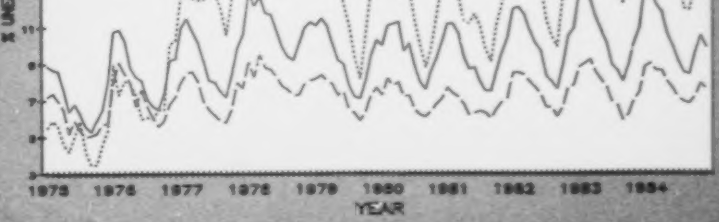
	2Q 1981	2Q 1984	Percent Change
Hotel, Motels	3642	4738	30.1
Management, Consultants & Pub. Rel.	905	1267	40.0
Business Services	4838	6698	38.4
Medical Services	6307	8257	30.9
Personal Services	1176	1853	57.6
Auto, Other Repair Services	1235	1591	28.8
Recreation Services	896	1250	39.5
Eng., Architectural & Surveying Svcs.	2318	3099	33.7
Other Services	12044	14419	19.7
Total Services	33362	43172	29.4
Total Nonag. Wage & Salary Employment	185986	223411	20.1
Services as a % of Nonag. Wage & Salary Employment	17.9%	19.3%	

Composite Nonag. Employment Indexes
Seasonally Adjusted
1978 to Present



source: Ak. Dept. of Labor

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1975 to Present



source: Ak. Dept. of Labor

ANCHORAGE/MATSU

By Greg Huff

Changes in the Structure of the Anchorage Economy 1980-1984

The Anchorage economy has been growing rapidly the past several years with a resulting change in the composition of industry activity. Anchorage's economy is going through the process of import substitution, economies of agglomeration and scale, general increased diversification of the economy and the introduction of new technologies. These structural changes reflect a maturing Anchorage economy.

Import substitution is the phenomena whereby as a market grows it can support more goods and services produced or sold locally, goods that previously had to be imported into the region. Economies of agglomeration happens when certain industries become large enough to make it possible for other industries to develop that are either suppliers of the input or users of the output of the expanding industry. An example is the oil industry which has grown to a size enabling it to support a variety of suppliers and vendors. Agglomeration economies may also be represented by a mall with large "anchor" stores that generate enough customer traffic so that small specialty shops may also be viable. Economies of scale occur when the market is of a size to support large firms able to produce at lower cost or where the cost of transporting goods and services is reduced as the market becomes great enough to support more efficient transportation methods.

In order to identify these changes in the Anchorage economy, three sets of variables are reviewed:

1. The change in the composition of industry activity as measured by the change in the percentage share of total employment of each industry.

2. The change in the average number of firms by industry.

3. The change in the average size of firms as measured by average employment per firm.

The analysis is limited to comparing data for the first half of 1980 to the data for first half 1984 (which are the most current and detailed employment statistics available).

An industry with its percent share of total employment rising is growing relative to the Anchorage economy as a whole. An industry with a declining share reflects growth below that of the overall economy. Those with roughly stable shares reflect growth at about the same rate as the economy as a whole. The industries that are increasing in size are generally most viable. Growth in the number of firms across broad industry divisions suggest relative ease of entry into the market. Where the number of firms remain constant in an industry but the percent share of that industry grows indicates barriers to new entrants. Industries that fall into roughly constant and declining percentage shares would be considered low or no growth industries.

Mining

Since the arrival of the North Slope oil and gas producers to Anchorage, the mining industry has continued to increase its share of total employment. Although this trend has stabilized from the rapid expansion days of the 1970's, in 1984 the mining industry represented 3.4% of total employment up from 3.3% in 1980. The oil and gas industry is very capital intensive and employment measurements do not reflect the overall impacts of the industry on Anchorage's economy. Oil development has been and will remain a leading catalyst for growth.

Within the oil and gas industry, there were mixed reviews among the various subindustries. The major producers and exploration service companies experienced increases in percent share of total employment, increases in the number of firms and in their size. The producers averaged 198 employees in 1984. This average obscures the make-up of the industry which consists of two large major companies and several smaller sized partners.

The general services companies did not fair as well for the first four years of the 1980s. These industries experienced slower growth rates than the overall growth rate for oil and gas employment resulting in a declining proportion of total employment. The average number of employees fell as well (from 27 employees to 24 employees). These declines are due to the overall drop in drilling activity around the state, larger and more advanced rigs that can do more work in less time and generally a highly competitive market for drilling and service company services.

Nonmetalic mineral mining, which is mostly sand and gravel mining, has experienced declines in market share as these operations moved to Mat-su gravel and sand deposits.

Construction

The percent share and number of firms in construction increased from 1980 to 1984 while the average size of the firm declined. This reflects a strong construction period, but also suggests a competitive atmosphere. In spite of the recent building boom, the percent share of construction employment did not reach the levels of some past construction booms. For the most part, the relative decline in percentage share of employment reflects the gradual maturation of Anchorage's economy.

Although construction employment share is declining relative to total employment, the proportion of construction employment in Anchorage is still above the national average. Construction overall is comprised of small firms averaging 5.9 employees per firm compared to Anchorage's private sector average of 11.9 employees per firm. The largest construction firms are general, heavy, and electrical construction contractors.

The residential, plumbing and heating,electrical, masonry, carpeting and floor coverings, roofing and concrete contractors were the most dynamic of the construction sectors during the period with increasing percent share, larger size of firms and greater number of firms. As construction activity slows, percent share will decline as the size of firms get smaller and the number of firms decline.

Manufacturing

By providing inputs to the residential and commercial construction industry, employment of lumber and wood products manufacturers grew dramatically in Anchorage. Firms in this sector increased their share of total employment and doubled their size from 8 employees per firm to 16 employees per firm. As construction activity slows, the lumber and wood products manufacturing sectors' performance will reflect the slowdown.

The printing and publishing industry also faired well over the period, increasing in percent share, size of firm, and number of firms. Printing and publishing employment increased to 1,170 employees in 1984, almost double that of 1980. The average size firm grew from 20 to 26 employees per firm and 10 new firms entered the market. However, declining shares were registered in food and kindred, textile mill and fabricated metal products.

Transportation, Communications and Utilities

This industry has tended to decline relative to the economy as a whole. Its proportion of total employment fell two percentage points over the period to 8.4%. The average size also fell from 28 employees per firm to 26 employees per firm while the total number of firms increased. Because some of these industries, particularly the communications and utilities sectors tend to be relatively capital intensive, a decline in employment is not necessarily an indication that production has not kept pace with the overall growth of the economy. Also, economies of scale may be important suggesting that output growth may exceed the rate of growth of employment.

Within the communications industry, TV and radio stations was the only sector which increased its position in all categories, increasing in percent share, size and number of firms. Most reflective of this growth is the advance from 27 employees per firm in 1980 to 42 employees per firm in 1984.

The trucking and warehouse industry over the period felt the impact of an increasingly competitive market. The number of firms increased by 60% while employment grew only 17% as the average size of firms dropped from 12 to 9 employees per firm. Air transportation firms increased in size and number over the period, but employment grew at a slightly slower pace relative to the economy as a whole. These numbers do not include the Wien bankruptcy and layoffs which will negate some of the advances the air transportation industry has made since 1980.

Wholesale and Retail Trade

Employment in the wholesale and retail trade industries increased to 25% of total employment in Anchorage in 1984, surpassing government as the largest sector of the Anchorage economy. The two major subsectors of wholesale trade faired well over the period. The durable goods sector had a growing percent share, increased firm size and sharp advances in the number of firms, particularly in the machinery equipment and supply industry. The nondurable sector did not grow as fast as the durable goods sector, but still registered advances in all areas, except for the beer and wine distributors, whose share remained roughly stable while their size declined.

Within the retail trade industries, the eating and drinking establishments represent the largest concentration of retail employment, accounting for 7% of total Anchorage employment, up from 5.6% in 1980. Eating establishments are the dominating force in the increased share of the eating and drinking sector. The number of firms have increased dramatically over the four-year period from 164 firms in 1980 to 238 firms in 1984. Their percent share has increased two percentage points and the average size increased by eight employees per firm to 28.

On the other hand, employment in drinking establishments grew considerably slower than employment in the Anchorage economy as a whole which is reflected by a sharp decline in percent share. The number of firms also fell from 81 to 78 although the remaining firms did increase their size from 10 to 10.5 employees per firm. This trend may reflect the tight liquor license controls.

Other industries within the retail trade sector which registered declines were the large department merchandisers and drug stores. The declining share of employment in the department merchandiser sector has been a long running phenomenon. The number of establishments have remained at six for many years. Average employment per firm dropped slightly, but they still remain the largest segment of the retail trade industry with over 250 employees per store. The decline in the relative importance of drug stores has also been a long-term trend with emphasis towards the "super

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	12/84	11/84	12/83	12/84	11/84	12/83	12/84	11/84	12/84	12/83	11/84	12/83
Alaska Statewide	237698	241232	224121	23513	25291	24497	9.9	10.5	10.9	214185	215941	199624
Anchorage-MatSu Region	127861	128584	118166	10624	11123	9982	8.3	8.7	8.4	117237	117461	108184
Anchorage	115060	115684	106057	8688	9108	7899	7.6	7.9	7.4	106372	106576	98158
Matanuska-Susitna	12801	12900	12109	1936	2015	2083	15.1	15.6	17.2	10865	10885	10026
Gulf Coast Region	25185	25672	23922	3351	3181	3387	13.3	12.4	14.2	21834	22491	20535
Cordova	1319	1345	1255	150	141	156	11.4	10.5	12.4	1169	1204	1099
Kenai	12953	13170	12479	1828	1710	2016	14.1	13.0	16.2	11125	11460	10463
Kodiak	5755	5846	5215	769	710	526	13.4	12.1	10.1	4986	5136	4689
Seward	1830	1880	1733	273	276	269	14.9	14.7	15.5	1557	1604	1464
Valdez	3328	3431	3240	331	344	420	9.9	10.0	13.0	2997	3087	2820
Interior Region	31775	32613	29802	4271	4970	4521	13.4	15.2	15.2	27504	27643	25281
Fairbanks	26001	26608	24331	3584	4077	3725	13.8	15.3	15.3	22417	22531	20606
Southeast Fairbanks	2533	2648	2369	284	388	302	11.2	14.7	12.7	2249	2260	2067
Upper Yukon	766	813	743	95	139	127	12.4	17.1	17.1	671	674	616
Yukon-Koyukuk	2475	2544	2359	308	366	367	12.4	14.4	15.6	2167	2178	1992
Northern Region	10654	10921	10662	575	777	1109	5.4	7.1	10.4	10079	10144	9553
Barrow-North Slope	2838	2894	2847	119	158	270	4.2	5.5	9.5	2719	2736	2577
Kobuk	3305	3438	3299	177	290	334	5.4	8.4	10.1	3128	3148	2965
Nome	4511	4589	4516	279	329	505	6.2	7.2	11.2	4232	4260	4011
Southeast Region	31196	32159	30938	3926	4325	4430	12.6	13.4	14.3	27270	27834	26508
Angoon	393	419	398	32	51	47	8.1	12.2	11.8	361	368	351
Haines	1117	1145	1087	197	206	193	17.6	18.0	17.8	920	939	894
Juneau	11056	11335	10809	1157	1230	1186	10.5	10.9	11.0	9899	10105	9623
Ketchikan	6751	7003	6515	1015	1148	939	15.0	16.4	14.4	5736	5855	5576
Outer Ketchikan	788	893	789	112	203	132	14.2	22.7	16.7	676	690	657
Prince of Wales	1456	1556	1544	194	268	317	13.3	17.2	20.5	1262	1288	1227
Sitka	4435	4508	4397	436	426	510	9.8	9.4	11.6	3999	4082	3887
Skagway	1623	1652	1727	289	291	431	17.8	17.6	25.0	1334	1361	1296
Wrangell-Petersburg	3577	3648	3672	494	502	675	13.8	13.8	18.4	3083	3146	2997
Southwest Region	11027	11283	10631	766	915	1068	6.9	8.1	10.0	10261	10368	9563
Aleutian Islands	2864	2916	2757	74	97	156	2.6	3.3	5.7	2790	2819	260
Bethel	3543	3671	3402	279	373	360	7.9	10.2	10.6	3264	3298	3042
Bristol Bay Borough	401	408	375	33	36	32	8.2	8.8	8.5	368	372	343
Bristol Bay	1518	1515	1445	140	123	161	9.2	8.1	11.1	1378	1392	1284
Kuskokwim	978	1008	971	88	109	142	9.0	10.8	14.6	890	899	829
Wade Hampton	1723	1765	1681	152	177	217	8.8	10.0	12.9	1571	1588	1464

P/=Preliminary 1984 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

drug-grocery store" mix.

Auto dealers benefited from the rapidly expanding Anchorage and state economies of the early 1980's. This is reflected by the increase in the average size from 31 to 55 employees per firm, advancing it's percent share while the number of firms remained constant.

The lumber and building supply sector grew fast from 1980 to 1984, doubling its share of employment and increasing its average size from 14 to 28 employees per firm. This sector wasn't the only industry to ride the tide of the construction boom. The household item reatil sector registered positive gains across the board. This industry represents firms selling household items ranging from furniture to radios and TVs. This lucrative industry grew twice as fast as the economy as a whole, doubling their average size and doubling the number of firms.

The grocery store sector was one retail industry where there were very few newcomers into the Anchorage market, but those established firms grew at a rapid rate, nearly doubling the average size of their establishments from 54 employees per store to 90 per store, enough to increase their percentage share of total employment.

Finance, Insurance and Real Estate

Banking is among the largest industries in Anchorage, averaging 168 employees per firm in 1984. This is sixteen employees per firm more than in 1980. Although the size and the number of banks increased over the period, the percent share of total employment remained relatively stable growing at about the same pace as overall employment in the Anchorage economy. Credit Unions, on the other hand, grew more rapidly increasing their share of total employment and the number of employees per firm by over 50%. The number of credit unions advanced by 38%, from 29 to 40 establishments. Deregulation appears to have contributed to many changes in the banking industry.

Other financial institutions including insurance carriers and agents, real estate brokers and agents and other investment establishments generally grew faster than overall employment, increasing their percentage share of employment, their size and the number of firms.

Services

The services industry was among the strongest growth industries in Anchorage with a majority of subindustries registering growth in percent share, size and number of firms. Overall the services industry share advanced one percentage point to over 21% of total Anchorage employment. A sign of competition and relative ease of entry into the market was the large increase in the number of service firms, from 1,708 in 1980 to 2,314 in

1984. Personal services, business services, and auto repair were among the fastest growing service sectors. These firms benefited from the impacts of a growing number of tourist and business visitors, a sharp increase in the number and size of businesses and an increase in the level of population all of which have contributed to faster than average employment growth, increased firm size and an increase in the number of firms in those services sectors.

The number of physician and dental offices increased 18% from 1980 to 1984 while employment in those offices generally grew at the same rate as total Anchorage employment. No new hospitals were built in Anchorage and employment in the two existing hospitals grew at a slower pace than overall employment growth. The engineering, architectural, accounting and auditing sector faired very well over the four years advancing their relative share of employment, average size of firms and increasing their number.

With the continuing advances in women's labor force participation and with a rapidly growing economy one would expect increases in the number of child care establishments. However, employment growth for child care facilities was sluggish resulting in percent share declines as well as declines in the average size facility. The number of establishments, however, did increase by 18% over the period. Many working parents are using a variety of alternative arrangements. In general, the social services sector has not kept pace with the overall growth of the Anchorage economy.

Government

The overall dependence of Anchorage's economy on government continued to decline in the early 1980's. Governments share of total employment fell form 29% to 24% from 1980 to 1984. This decline is primarily a result of a declining share of federal government employment. The state and local government employment share has remained fairly constant.

Conclusion

The majority of industries in Anchorage exceeded the average employment growth rate for the Anchorage economy as a whole. Only a handful of industries suffered an absolute decline in employment. At the same time, several sectors with positive growth rates grew at a slower rate than the overall growth rate of the Anchorage economy.

The bulk of Anchorage firms have less than 20 employees. The larger firms are concentrated in transportation, communications and utilities and a few other industries including hospitals, commercial banking, oil and gas, food and general merchandise stores . A majority of jobs created in Anchorage during the period from 1980 to 1984 were based in the smaller industries.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/ 12/84	R/ 11/84	12/83	11/84	12/83
Nonag. Wage & Salary	109800	110550	105300	-750	4500
Mining	3600	3500	3350	100	250
Construction	8300	9050	8550	-750	-250
Manufacturing	2250	2450	2150	-200	100
Food & Kindred Prod.	300	400	300	-100	0
Other Mfg.	1950	2050	1850	-100	100
Trans. Comm. & Utilities	9150	8900	8850	250	300
Trucking & Whseing.	1200	1150	1350	50	-150
Water Transportation	350	350	350	0	0
Air Transportation	3550	3650	3600	-100	-50
Other Trans. Comm. & Utilities	4050	3750	3550	300	500
Trade	28050	28000	27000	50	1050
Wholesale	6300	6300	6050	0	250
Retail	21750	21700	20950	50	800
Gen. Merchandise	1950	1900	2000	-50	-50
Food Stores	2950	3050	2650	-100	300
Eating & Drinking Places	8100	8150	7750	-50	350
Other Retail Trade	8750	8600	8550	150	200
Finance-Ins. & Real Estate	7800	7750	7150	50	650
Services & Misc.	24650	24700	23000	-50	1650
Government	26000	26200	25250	-200	750
Federal	10200	10150	9950	50	250
State	6750	6850	6450	-100	300
Local	9050	9200	8850	-150	200

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM:	
	P/ 12/84	R/ 11/84	12/83	11/84	12/83
Nonag. Wage & Salary	115700	116800	110600	-1100	5100
Mining	3600	3500	3350	100	250
Construction	8900	9700	9150	-800	-250
Manufacturing	2350	2550	2250	-200	100
Trans. Comm. & Utilities	9450	9400	9300	50	150
Trade	29350	29250	28150	100	1200
Finance-Ins. & Real Estate	8150	8150	7500	0	650
Services & Misc.	25850	26000	23900	-150	1950
Government	28050	28250	27000	-200	1050

Anchorage Industry Composition by Major Industry Group

	Percent Share 1980*	Percent Share 1984*	Average Employment per Firm 1984*	Number of Firms 1984*
Mining	3.3	3.4	37.3	97
Construction	6.6	8.3	5.9	1501
Manufacturing	2.1	2.1	13.6	163
Trans. Comm. & Utilities	10.4	8.4	25.7	345
Wholesale Trade	5.1	6.0	13.0	490
Retail Trade	16.2	18.5	18.6	1054
Finance-Ins. & Real Estate	6.5	7.0	13.5	542
Services	20.5	21.5	9.8	2314
Government	28.7	24.3	**	92
Agricultural and Misc.	.6	.5	**	291
Total	100.0	100.0	15.3 ***	6889

Source: Research and Analysis, Alaska Department of Labor

* 1st Six months data.
** Not meaningful.
*** 11.8 Employees per firm for all industries less government.

FAIRBANKS/INTERIOR

By Neal Fried

Fairbanks's Unemployment Picture

The nation has become obsessed with tracking a variety of monthly economic indicators, including the unemployment rate. Each month these figures are scrutinized and interpreted in great detail regardless of the magnitude of change. The American public has therefore become much more aware of the unemployment rate and to an extent now consider it when trying to make a decision when moving to a new area to find employment. However, many people must not consider the unemployment rate when considering moves to Alaska. People are continuing to come to Alaska and Fairbanks looking for work when the nation's unemployment rate was 7.3% in December and the latter two were 9.9% and 13.8%.

Fairbanks' unemployment rate during the past 5 years has been far from predictable. The rate began to fall in 1981 when Fairbanks' economy began to expand. The downward trend in unemployment did not continue, in spite of the fact that employment growth continued to gain momentum. From 1980 through 1984 the number of new jobs created in Fairbanks was approximately 6,800. With this kind of growth, one would expect some corresponding decline in the unemployment rate. Instead, the number of unemployed grew from an annual average of 2,500 in 1980 to 4,000 in 1984 and the unemployment rate climbed from 12.4% to 15.0%.

The Fairbanks labor market was in some respects simply overwhelmed with job seekers, many who had lost their jobs in the national recession during this period of time. The local labor market simply was not able to absorb all the job seekers, regardless of the phenomenal growth in employment. In 1984, the unemployment rate finally began to level off, mirroring 1983's picture closely. The national economy bounced back in 1984 which has helped take off some of the pressure of new job seekers in Fairbanks economy.

Annual unemployment of 15.0% normally would represent a stagnant or declining labor market. Despite these high unemployment rates, Fairbanks' labor market has been extremely dynamic, providing new job opportunities in most of its industries. The local economy has provided new jobs to thousands of job seekers and has given the opportunity for others to seek out new opportunities. Fairbanks traditionally has always had a higher base unemployment rate because of a strong seasonal work force. Fairbanks is the home to many workers who work outside of the Fairbanks area when employed (North Slope, fire fighting, highway construction, etc). When they are laid off, seasonally or otherwise, they collect their unemployment benefits in Fairbanks. This is illustrated by the fact that Fairbanks employs approximately 12% of the state's covered labor force, but is responsible for

16% of the unemployment claimants.

Though the number of jobs has been growing, the unemployment rate does indicate a competitive labor market, particularly during the winter months when the rates can climb as high as 18-19%. The wave of job seekers has often come with good skills and experience, contributing to the competitiveness found in the local labor market. It is becoming increasingly necessary to have the right skills to find self sustaining employment in Fairbanks.

If the national economy continues to remain healthy, the flow of job seekers should abate somewhat. Employment will grow, though more slowly than in 1984. These two factors combined will likely make for a 1985 unemployment picture much like that experienced in 1984.

Unemployment Rates
1980-1984

	Fairbanks	Alaska	U.S.
1980	12.4	9.6	7.1
1981	11.7	9.2	7.6
1982	13.5	10.0	9.7
1983	15.3	10.4	9.6
1984	15.0	10.5	7.5

Fairbanks' Unemployment Rate
by Month
1984

January	19.6
February	18.9
March	17.1
April	16.4
May	15.0
June	13.8
July	13.9
August	12.0
September	11.9
October	13.2
November	15.3
December	13.8
Annual Average	15.0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

				CHANGES FROM:	
	P/	R/			
	12/84	11/84	12/83	11/84	12/83
Nonag. Wage & Salary	30850	31200	29350	-350	1500
Mining	250	300	350	-50	-100
Manufacturing	550	550	500	0	50
Trans. Comm. & Utilities	3400	3400	3350	0	50
Trade	6000	6050	6050	-50	-50
Finance-Ins. & Real Estate	1100	1100	1050	0	50
Services & Misc.	5600	5650	5300	-50	300
Government	11600	11400	10700	200	900

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	R/			
	12/84	11/84	12/83	11/84	12/83
Nonag. Wage & Salary	26900	27450	25900	-550	1000
Mining	100	150	200	-50	-100
Construction	2250	2650	2000	-400	250
Manufacturing	500	550	450	-50	50
Trans. Comm. & Utilities	2700	2650	2650	50	50
Trucking & Whseing.	450	450	450	0	0
Air Transportation	650	650	600	0	50
Other Trans. Comm. & Utilities	1600	1550	1600	50	0
Trade	5600	5600	5700	0	-100
Wholesale	1000	1000	900	0	100
Retail	4600	4600	4800	0	-200
Gen. Merchandise & Apparel	550	500	500	50	50
Food Stores	750	750	750	0	0
Other Retail Trade	3300	3350	3550	-50	-250
Finance-Ins. & Real Estate	1050	1050	1000	0	50
Services & Misc.	5200	5200	4900	0	300
Government	9500	9600	9000	-100	500
Federal	2700	2650	2550	50	150
State	3950	4200	3800	-250	150
Local	2850	2750	2650	100	200

GULF COAST

By Neal Fried

Kodiak's Employment Picture

Kodiak's economy has been marching to a different drummer than the rest of the state during the past four years. The state's economy has chalked up impressive gains since 1980, whereas Kodiak's economic picture has been lackluster at best. Employment declined in 1981, then experienced a spurt of growth in 1983, and appears to have flattened out again in 1984.

The state's economic growth during the past four years has been largely a result of state oil revenue expenditures. Kodiak has received a share of the state's wealth via public construction, revenue sharing, permanent fund dividends and state subsidized low interest housing and business loans. This revenue source did not appear to have the same effect on Kodiak's economy as it had elsewhere in the state. One reason is the collapse of the king crab fishery and extremely poor shrimp catches. If Kodiak's shell fishery had remained at historical levels, the revenue from the fish catch combined with this increase in oil revenues would have caused Kodiak's economy to have grown at least as rapidly as the state's if not more rapidly. Comparing the first six months of 1980 with the first six months 1984, Kodiak's employment fell by 3% while statewide employment increased by 29%.

Fishing is Kodiak's single largest industry employing 33% of its wage and salary employment during "normal" years. This includes only fish processing employment (food and kindred products) and not fishermen and crews. If both fish processing and fish harvesting employment were combined, they would represent nearly 50% of the Island's labor force. Fishing is essentially the area's only basic industry (there is a small logging industry which is presently depressed) upon which almost all other industries depend. State funded activities have been able to cushion some of the employment declines in fisheries. Construction employment reached a record high in 1983, largely as a result of public financed construction projects, including Terror Lake Dam, Dog Bay Harbor, Near Island Bridge, schools and a long list of smaller projects.

This spurt in construction employment in 1983 was enough to more than make up for the losses in fish processing employment. Construction activity peaked in 1983. In 1984 construction employment fell, but remained above historical levels. This drop in construction meant Kodiak's total employment numbers did not grow at all in 1984, but remained at the 1983 level. Fish processing employment for the first six months of 1984 were above 1983 levels because of a relatively good salmon season. However, it was not good enough to push total employment into a growth mode because of the poor shrimp and crab fishery in 1984.

Kodiak's secondary sector—trade, services and finance, insurance and real estate—has grown above 1980 levels, but is essentially unchanged since 1982. Government employment climbed slightly during the past few years as additional state revenues were made available.

In spite of the additional flow of oil revenues, Kodiak's economy has not been able to weather the decline of its shell fishery. These revenues have come at an opportune time, and have helped the Island's employment picture. However, it appears Kodiak's economy in the near term will not be able to sustain employment growth until there is a turnaround in the shellfish industry.

Kodiak Island
Nonagricultural Wage and Salary Employment
1980-1984

	Annual Average				Six Month Avg.	
	1980	1981	1982	1983	1983	1984
Total Nonag. Wage & Salary	4664	4381	4399	4880	4415	4441
Mining	0	0	0	0	0	•
Construction	101	136	304	582	577	366
Manufacturing	1880	1547	1275	1378	935	1153
Food & Kindred	1544	1424	1167	1285	844	1104
Other Manufacturing	336	123	108	93	91	49
Transportation	352	320	297	311	283	296
Trade	611	595	708	723	719	695
Wholesale	•	17	27	37	28	33
Retail	•	578	681	686	691	662
Finance-Ins. & Real Estate	98	95	101	104	105	•
Services & Miscellaneous	584	637	670	668	643	668
Government	1038	1051	1044	1114	1153	1154
Federal	286	257	252	253	254	239
State	207	253	260	273	268	267
Local	545	541	532	588	632	648

• Nondisclosable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/ 12/84	R/ 11/84	12/83	11/84	12/83
Nonag. Wage & Salary	18350	19000	17900	-650	450
Mining	700	700	700	0	0
Construction	1550	1850	1600	-300	-50
Manufacturing	2250	2450	1800	-200	450
Food & Kindred Prod.	1650	1800	1100	-150	550
All Other Mfg.	600	650	700	-50	-100
Trans. & Comm. Utilities	2050	2100	2250	-50	-200
Trade	3100	3100	3100	0	0
Wholesale	350	350	450	0	-100
Retail	2750	2750	2650	0	100
Finance-Ins. & Real Estate	550	550	500	0	50
Services & Misc.	2850	2900	2850	-50	0
Government	5300	5350	5100	-50	200
Federal	550	550	550	0	0
State	1550	1650	1500	-100	50
Local	3200	3150	3050	50	150

SOUTHEAST

By Kathleen Thomas

1984: The Year in Review

From 1983 to 1984 employment growth in the Southeast Region was less than 1%. Major drops in average annual employment occurred in the construction and manufacturing industries which declined 6.9% and 9.6%, respectively. The three industries which prevented an overall decrease in Southeast employment were trade; finance, insurance and real estate; and mining, services and miscellaneous.

Construction

The dramatic increases in 1983 construction employment were not continued in 1984 as construction employment dropped 6.9% in 1984. Though construction activity did slow, the level of construction employment was still 22% above 1982 levels. The housing boom, which occurred after the capital move vote confirmed Juneau as the capital city, began to slow in 1984. Vacancy rates have increased and housing prices have dropped, thereby moderating the demand for employment in the building construction and special trades sectors. Many capital improvement projects have been completed and few new capital improvement projects are being authorized resulting in a downturn in heavy construction employment.

Manufacturing

The manufacturing industry employment declines of 1983 continued through 1984. A depressed Japanese market for housing and a strong dollar limited the export of lumber and pulp and contributed to an 11.8% drop in lumber and pulp employment. Also affecting lumber and pulp employment was the closing of the Louisiana Pacific pulp mill in Ketchikan for a number of months in 1984. The salmon runs have been good in Southeast Alaska but a shift in production methods from canning to freezing of salmon, which requires fewer employees, has resulted in a decreased need for Southeast food and kindred products employment which dropped by 7.3%.

Transportation

Few events had significant effect on the transportation, communication and public utilities industry. The White Pass-Yukon railroad remained shut down and deregulation, while affecting other areas of the state, had no effect on the airlines in Southeast. The only notable change was a drop in water transportation employment of 2.9%. The construction industry is a main impetus to water transportation employment. When construction activities decline fewer construction materials need to be transported to the Southeast and fewer employees are needed to unload the goods.

Trade, Finance, Insurance and Real Estate

Declines in the construction and manufacturing industries were offset by increases in the trade and finance, insurance and real estate industries. Total trade increased 5.5% and finance, insurance and real estate increased 5.0%.

Retail trade led the advance with a 6.5% increase. One factor in retail trade that is beginning to play an important role is a decrease in the number of dollars going south as more opportunities are available in the Southeast to make local purchases. A new mall and expansion of existing malls in Juneau and a new mall being built in Ketchikan should keep more retail trade dollars in these local communities.

Wholesale trade, like other industries, has been influenced by the drop in construction activity. Construction materials; machinery, equipment and supplies; plumbing and heating equipment; and paints, varnishes and other supplies are important components of the wholesale trade industry. When construction activity slows, fewer of these wholesale trade items are required. The result was in a downturn of 4.1% in wholesale trade employment.

Mining, Services and Miscellaneous and Government

The 14.6% drop in mining activity was more than offset by increases in medical services and other categories. The mining industry has been on hold recently due to weak mineral prices, making most ventures unprofitable.

Southeast Alaska is following the trend of the rest of the nation with an increased services industry. In Alaska, services firms are aided by an increased tourism industry. Visitors to the Southeast require hotels and motels, campgrounds, automobile and recreational vehicle servicing, and amusement and recreation services, all leading to the development of the services industry.

The overall increase in government was a modest 1.5%. Federal government decreased slightly, 1.5%, while state and local government increased 1.1% and 3.6%, respectively.

Table I
Southeast Alaska Nonagricultural Wage and Salary Employment 1/
1983-1984

	1983	1984	Number Change	Percent Change
Total	28283	28482	199	0.70
Construction	1981	1844	-137	-6.91
Building Construction	537	508	-29	-5.40
Heavy Construction	809	636	-173	-21.38
Special Trades	636	700	64	10.06
Manufacturing	3356	3035	-321	-9.56
Food & Kindred	1022	947	-75	-7.34
Lumber & Pulp	2107	1858	-249	-11.82
Other	227	230	3	1.32
Trans., Comm. & Utilities	2015	2026	11	.55
Air Transportation	492	498	6	1.22
Water Transportation	486	472	-14	-2.88
Communication & Utilities	622	634	12	1.93
Other Transportation	415	422	7	1.69
Trade	4411	4652	241	5.46
Wholesale	444	426	-18	-4.05
Retail	3967	4226	259	6.53
Food Stores	842	853	11	1.31
Eating & Drinking	1244	1270	26	2.09
Other	1881	2103	222	11.80
Finance-Ins. & Real Estate	981	1030	49	4.99
Mining, Services & Misc.	4349	4542	193	4.44
Mining	48	41	-7	-14.58
Hotel, Motel	729	741	12	1.65
Medical	744	767	23	3.09
Other	2828	2992	164	5.80
Government	11190	11353	163	1.46
Federal	2163	2131	-32	-1.48
State	5262	5320	58	1.10
Local	3765	3902	137	3.64

Industry subtotals may not add due to rounding.

1/ 1984 estimates on 6 months actual data and 6 months estimated data.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	12/84	11/84	12/83	11/84	12/83
Nonag. Wage & Salary	27300	28100	26750	-800	550
Construction	1500	1800	1600	-300	-100
Manufacturing	2200	2350	2250	-150	-50
Food & Kindred Prod.	400	450	400	-50	0
Lumber & Paper Prod.	1600	1650	1600	-50	0
All Other Mfg.	200	250	250	-50	-50
Trans. Comm. & Utilities	1950	2000	1950	-50	0
Trade	4650	4600	4650	50	0
Wholesale	450	450	400	0	50
Retail	4200	4150	4250	50	-50
Finance-Ins. & Real Estate	1050	1050	1000	0	50
Mining, Services & Misc.	4350	4400	3950	-50	400
Government	11600	11900	11350	-300	250
Federal	2100	2150	2150	-50	-50
State	5250	5450	5100	-200	150
Local	4250	4300	4100	-50	150

HOURS AND EARNINGS

By Kathleen Thomas

Little change occurred in hours and earnings other than in the manufacturing industry. Average weekly hours are below year ago levels in contract construction indicating a continued slowdown in construction activity.

In the manufacturing industry, food and kindred products displayed an unexpected rally with November 1984 average weekly hours rising 65% over November 1983 levels. A November 1st tanner crab opening and the tail end of a trawl shrimp opening prompted the increased activity in food and kindred products. The increase in lower paid temporary workers hired to process the incoming crab lowered average hourly earnings by 12.4% from October 1984 levels.

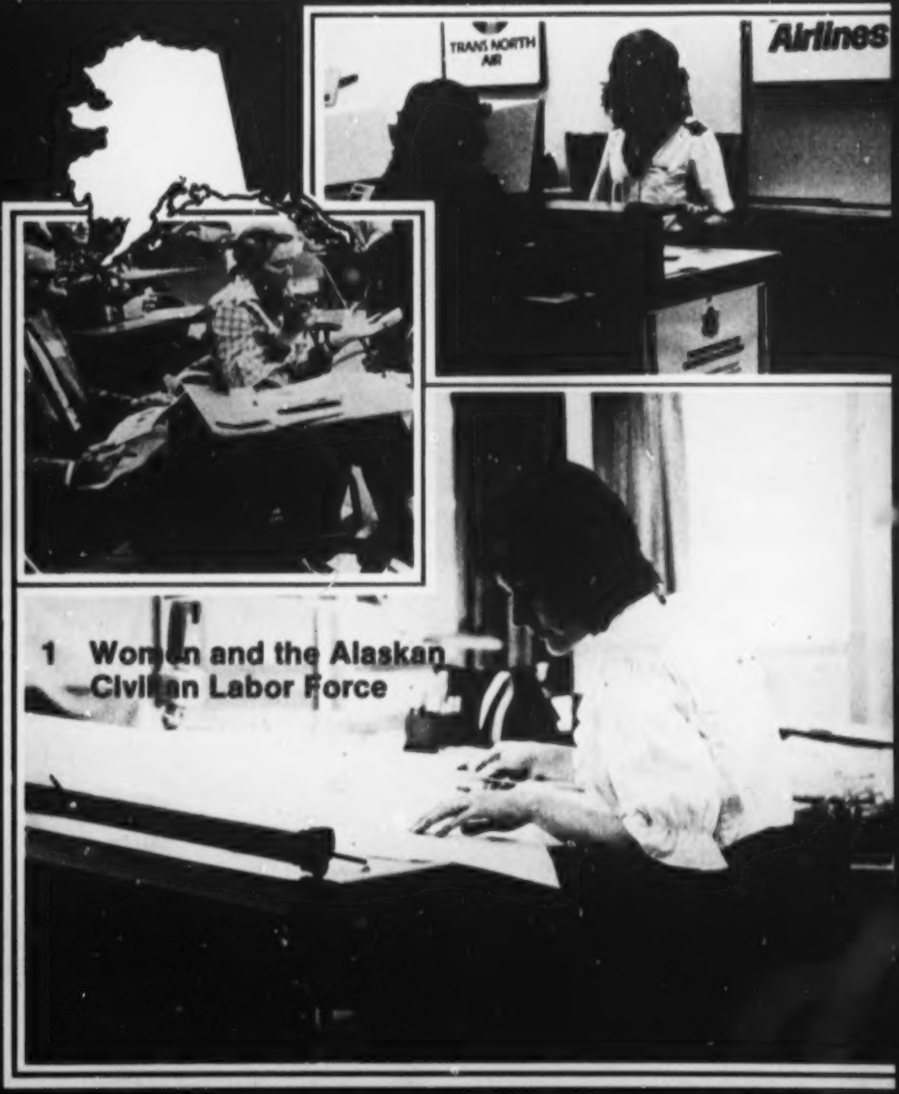
Average weekly earnings in the lumber and paper products industry continued to decline. Average weekly hours dropped 23.6% from November 1983. A number of firms reported an increase in the proportion of higher paid employees resulting from a slowdown in mill activity and lower paid employees being laid off. This resulted in average hourly earnings increasing 6.2% from October 1984.

S0320-1A

MARCH 1985

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska


TRANS NORTH AIR
Airlines

1 Women and the Alaskan Civilian Labor Force

ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

March 1985
Volume 5
Issue 3

CONTENTS

Women and the Alaskan Civilian Labor Force 1
Revised 1984 Employment Estimates..............................7

Alaska-*The Impact of State Expenditures on Employment* 14
Anchorage/MatSu-*1984 Benchmark* 18
Fairbanks/Interior-*Delta's Employment Picture 1980-1984* 22
Gulf Coast-*Employment in Homer 1980-1984* 25
Southeast Alaska-*Juneau 1982 to 1984: Aftermath of the 1982 Vote* ...28
Hours and Earnings-*Revised 1984 Estimates* 31

Labor Force By Region and Census Division............. Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 11/84	r 10/84	11/83	p/ 11/84	r/ 10/84	11/83	p 11/84	r 10/84	11/83
Mining	$24.15	$24.11	$24.91	50.9	49.6	49.6	$1229.24	$1195.86	$1235.54
Contract Construction	24.69	24.44	23.81	37.9	43.3	39.9	935.75	1058.25	950.02
Manufacturing	14.20	15.46	14.94	33.1	30.6	29.0	470.02	473.08	433.26
Food & Kindred Products	8.87	10.12	9.17	28.7	22.1	17.4	254.57	223.65	159.56
Lumber & Paper Products	18.89	17.78	17.98	29.8	33.9	39.0	562.92	602.74	701.22
Trans. Comm. & Utilities	15.32	15.77	15.72	37.3	37.3	37.4	571.44	588.22	587.93
Trade	10.95	10.69	10.16	34.4	34.9	34.6	376.68	373.08	351.54
Wholesale	13.03	12.86	12.09	39.4	38.0	36.8	513.38	488.68	444.91
Retail	10.06	9.82	9.42	32.6	33.8	33.8	327.96	331.96	318.40
Finance-Ins. & Real Estate	—	—	—	—	—	—	414.15	399.38	366.21

1 Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2 Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

WOMEN AND THE ALASKAN CIVILIAN LABOR FORCE

By Kathryn Lizik

The number of women in the experienced civilian labor force more than doubled between 1970 and 1980 with 42% of all civilian workers 16 years and older being female. However, in spite of the tremendous surge with which women entered the job market, different occupational mixes from men continued to exist. As a result, the distribution of types of jobs women held fared a much smaller change.

More than 76,000 women were part of Alaska's 1980 civilian labor force. However, 78% continued to hold jobs in the following classically feminine occupational categories: Services; Administrative and Clerical Support; Sales; and Professional Specialties. Professional Specialties includes large numbers of teachers, nurses, counselors, and librarians. Looking at the same occupational distribution by race/ethnicity, comparable percentages held across the board.

In contrast less than 7% (5,017) of women found positions in the more traditionally male dominated major occupational categories of Precision Production, Craft & Repair or Operators, Fabricators, and Laborers.

Table 1 displays count and percent distributions for 11 summary occupations by race/ethnicity and sex. The source of the data in this article is the 1980 census. Detailed occupational breakouts reflecting the same variables as presented in Table 1 are available from Department of Labor, Research and Analysis. Reports are available that summarize the information for the state and for the 23 census areas.

Several factors cited in past years attempt to explain why women experience a different occupational mix than men. Among them, level of educational attainment, choice of academic studies, unavailability of affordable day care, and job tenure due to childbearing years have been exceptionally prevalent. Yet none fully accounts for why women tend to cluster in particular areas of the job market.

For example, women accounted for 55% of all Service-related jobs, but were concentrated (87%) in the following areas: child care workers; health, dental or nursing aids; food preparation and waitresses; maids or cleaners. In contrast 92% of the men working in Service were either fire fighters, police and guards, janitors, or cooks and bartenders.

Within the Administrative and Clerical Support, and Professional Specialty categories, clustering was also readily apparent. High concentrations of women were reported as typists, secretaries, clerks, bookkeepers, and teachers. Barely 4% were listed as engineers, architects, or scientists.

According to data presented by the Alaska Women's Commission in a publication entitled *Alaska Women: A Databook* not only do women hold different types of jobs from men, but these jobs are also lower paying. For example, for every dollar a man earns, a woman earns 58 cents. This in turn contributes to the fact Alaskan women's median incomes are less than half that of Alaskan men.

Looking at Table 2 it is possible to detect the differences in earnings for both men and women in eleven summary occupational categories. Looking specifically at the four "feminized" summary occupations, both median and mean income of women are substantially below that of their male counterparts.

Affirmative Action

Due to the increased interest and focus on the status of women and minorities in today's job market several affirmative action and equal employment opportunity laws, orders, and programs have been established. At the federal level the Office of Federal Contract Compliance Program in the U.S. Department of Labor has jurisdiction over employers contracting with the federal government. If the contract is categorized as nonconstruction, and falls between $10,000 and $50,000, the employer must be able to produce records establishing that the employer has been complying with affirmative action practices. If the contract exceeds $50,000 and there are 50 or more employees, a written affirmative action plan is required including an availability analysis. It is here the Bureau of Census's Equal Employment Opportunity detailed occupational data is utilized. The race/ethnicity and sex distribution of the civilian labor force within each occupational category presents a backdrop against which employers can match their own hiring practices.

A slightly different approach is utilized when the contract falls within the Construction Industry. In this case representational goals for minority and female hire have been established in all craft areas. In Anchorage the minority hire goal is 8.7%. Outside Anchorage it increases to 15.1%. For women a national goal of 6.9% hire in all crafts has been established.

The agency responsible for producing the EEOC guidelines for federal affirmative action affecting women, minorities, and the handicapped is the U.S. Equal Employment Opportunity Commission. The federal guidelines are utilized by all federal agencies as well as employers contracting with the federal government. Private sector employers interested in participating in voluntary affirmative action may also use these guidelines as a basis of information for activities such as recruitment, applicant qualifications, goal setting and timetables, and employee selection.

At the state level, the Equal Employment Opportunity Division within the Department of Administration develops the affirmative action guidelines and statistical base for state government programs. Examples of other public institutions practicing Affirmative Action include the University of Alaska, Alaska Court System, the Ombudsman's Office, the Anchorage School District and the Municipality of Anchorage.

Table 1
Occupations by Race/Ethnicity & Sex
Alaska
1980

	Total	Female	White Male	White Female	Black Male	Black Female
Total Civilian Labor Force 16 Years & Up	181842	76356	87983	62038	2561	2393
	100%	42%	48.4%	34.1%	1.4%	1.3%
Exec., Admin., & Managerial	23244	8717	12919	7626	244	210
	100%	37.5%	55.6%	32.8%	1%	0.9%
Professional Specialty	26231	12386	12741	10704	141	325
	100%	47.2%	48.6%	40.8%	0.5%	1.2%
Technicians & Related Support	6965	1938	4463	1648	99	50
	100%	27.8%	64.1%	23.7%	1.4%	0.7%
Sales Occupations	15090	8123	6329	6862	155	356
	100%	53.8%	41.9%	45.5%	1%	2.4%
Admin. Support, incl. Clerical	32120	25743	5011	21307	369	762
	100%	80.1%	15.6%	66.3%	1.1%	2.4%
Service Occupations	25276	13774	8075	9834	615	586
	100%	54.5%	31.9%	38.9%	2.4%	2.3%
Farming, For., & Fishing	5250	658	3391	473	35	15
	100%	12.5%	64.6%	9%	0.7%	0.3%
Precision Production, Craft & Repair	24544	1260	20046	937	323	38
	100%	5.1%	81.7%	3.8%	1.3%	0.2%
Machine Operators, Assemb., Inspectors	5271	1535	2855	1048	91	14
	100%	29.1%	54.2%	19.9%	1.7%	0.3%
Trans. & Material Moving	8035	871	5903	705	215	9
	100%	10.8%	73.5%	8.8%	2.7%	0.1%
Handlers, Equipment Cleaners, Helpers, Laborers	9816	1351	6250	894	274	28
	100%	13.8%	63.7%	9.1%	2.8%	0.3%

American Indian Eskimo and Aleut		Asian and Pacific Islander		Race not Elsewhere Classified		Hispanic	Hispanic
Male	Female	Male	Female	Male	Female	Male	Female
10894	8556	1893	1712	173	167	1982	1490
6%	4.7%	1%	0.9%	0.1%	0.1%	1.1%	0.8%
868	624	271	140	16	11	209	106
3.7%	2.7%	1.2%	0.6%	0.1%	0.1%	0.7%	0.5%
653	1080	153	103	18	14	139	160
2.5%	4.1%	0.6%	0.4%	0.1%	0.1%	0.5%	0.6%
329	193	74	27	3	0	59	20
4.7%	2.8%	1.1%	0.4%	0%	0%	0.8%	0.3%
331	523	45	203	2	4	105	175
2.2%	3.5%	0.3%	1.3%	0%	0%	0.7%	1.2%
798	2795	119	322	9	60	71	497
2.5%	8.7%	0.4%	1%	0%	0.2%	0.2%	1.5%
1876	2372	424	597	21	52	491	333
7.4%	9.4%	1.7%	2.4%	0.1%	0.2%	1.9%	1.3%
1045	123	21	17	24	0	76	30
19.9%	2.3%	0.4%	0.3%	0.5%	0%	1.4%	0.6%
2235	199	222	50	22	0	436	36
9.1%	0.8%	0.9%	0.2%	0.1%	0%	1.8%	0.1%
345	237	339	169	0	0	106	67
6.5%	4.5%	6.4%	3.2%	0%	0%	2%	1.3%
810	138	68	6	30	4	138	9
10.1%	1.7%	0.8%	0.1%	0.4%	0%	1.7%	0.1%
1604	272	157	78	28	22	152	57
16.8%	2.8%	1.6%	0.8%	0.3%	0.2%	1.5%	0.6%

REVISED 1984 EMPLOYMENT ESTIMATES

By Ed Eboch

Every January Current Employment Statistics (CES) employment estimates undergo a process referred to as "benchmark". ES-202 employment counts (actual counts of nonagricultural wage and salary employment data, primarily derived from unemployment insurance records) produced during the previous year replace estimates for the first six months of 1984 and the last six months of 1983. Because the earlier estimates are based on a sample of employers it is subject to error. Estimates for the last six months of 1984, for which ES-202 data is not available, are adjusted to reflect the most recent ES-202 data. The benchmark procedure, with the use of actual and revised estimates, reduced the error of earlier estimates. The "benchmark" numbers are published each year in the March issue of *Alaska Economic Trends.*

The 1984 nonagricultural wage and salary annual average employment numbers were underestimated by an average of 3%. In analyzing the data the error in estimating employment began appearing by the fall of 1983. Unlike past years Alaska's employment in 1983 did not experience the degree of decline during the fall and winter months that has been typical for that time of year. Underestimates of employment were made in construction, trade, services and local government employment. These underestimates of 1983 employment continued into the 1984 year.

In retrospect, the failure to anticipate the extent that the residential and commercial construction boom would continue into 1984, in light of the apparent overcapacity of office space and housing, affected not only the underestimate of construction employment but also estimates in trade and services employment. While estimates in trade were reasonably close to actual counts in most subcategories those areas related to construction, such as hardware stores, furniture stores, and lumber yards were seriously underestimated. The construction boom also had an affect on the service sector as equipment rental and leasing services; engineering, architectural, and surveying services; hotels, motels, and rooming houses as well as other business and personal services all benefited from the continued construction activity.

While the exceptionally good year in construction explained much of the underestimates in employment it certainly does not account for all of the growth in service related employment nor does it account for the growth in local government employment. As local populations have increased in size and local economies have expanded there has been an increase in the demand for services whether provided by local and state government or the private sector.

ALASKA

By Ed Eboch

The Impact of State Expenditures on Employment

Dramatic declines in oil prices will mean downward revision of state oil revenue estimates and therefore less state expenditures than in the past several years. Declining state revenues and its implication regarding Alaska's economy is a major concern of state lawmakers as well as Alaska's business community. Oil and gas related revenue accounts for over 80% of total state revenues (Table 1). Including investment earnings, largely a result of oil revenues, the total represent 92% of total state revenues. Every $1 drop in oil prices results in approximately $150 million less in state revenues. After several days of testimony in Juneau by oil experts in early February the concensus was that oil prices will continue to fall. While a collapse in world oil prices is unlikely, a continued price decline and the corresponding decline in state spending would have repercussions throughout Alaska's economy.

Table 1
Top Five Revenue Sources
Fiscal Year 1984
(Millions of Dollars)

Rank	Revenue Source	Collected FY 84	% of Total
1	Oil/Gas Severance Tax	1392.4	41.1
2	Oil/Gas Royalties	1047.5	30.9
3	Investment Earnings	282.7	8.3
4	Oil/Gas Corporate Tax	265.1	7.8
5	Oil/Gas Property Tax	131.0	3.9
	Total	3118.7	92.0

Source: Revenue Sources FY 1984-87, Alaska Department of Revenue, January 1985.

Impact of State Expenditures

In 1984 State government accounted for an annual average of 19,300 jobs, 8.6% of Alaska's nonagricultural wage and salary employment. This number represents only a small portion of the jobs created by state expenditures. The State of Alaska is also a major contributor to local government and private sector employment.

The state provides aid for local government operating expense, grants for public works projects, and aid for schools. This aid represents as much as 75% of local governments revenue. (See *Effects of Oil Revenue on State Aid*

Table 2
Earnings by Occupation by Sex
Alaska
1980

Summary Occupations		Persons with Earnings in 1979						Worked fulltime year round 1979	
		Less than $14999	$15000 -24999	$25000 -49999	$50000 or More	Median Earnings	Mean Earnings	Total	Median Earnings
Executive, Administrative, & Managerial	Male	5817	5910	13065	3203	$27933	$29567	19774	$31224
	Female	9314	6985	3914	173	15976	16378	9857	19661
Professional Specialty	Male	3233	3036	5942	1413	26165	28002	8510	30200
	Female	5764	3795	2379	59	15528	15616	4055	20406
Technicians & Related Support	Male	1178	1168	2176	455	25946	27088	3455	29090
	Female	980	669	217	—	14366	14932	991	17477
Sales Occupations	Male	2436	1877	1908	512	20369	22744	4479	23918
	Female	5887	1261	271	72	8080	9754	2886	13338
Administrative Support, including Clerical	Male	2254	1825	1896	227	19516	20839	3984	23461
	Female	16250	6792	1161	56	11706	11772	12133	15503
Service Occupations	Male	5978	2277	2388	268	12684	15997	4813	22698
	Female	10467	1435	411	43	6209	8059	3443	12926
Farming, Forestry, & Fishing	Male	2074	792	989	460	16003	23875	1303	22765
	Female	424	59	14	14	3716	8025	156	7714
Precision Production, Craft & Repair	Male	7299	4855	9052	1403	23038	24141	11004	29888
	Female	695	260	150	9	10074	12916	554	15133
Machine Operators, Assemblers Inspectors	Male	1560	681	1193	114	18583	19504	1556	25415
	Female	1206	129	46	14	6061	8420	426	13080
Transportation & Material Moving	Male	2397	1647	2496	332	21326	22624	2780	27082
	Female	602	101	85	7	7861	10396	142	15231
Handlers, Equipment Cleaners, Helpers, Laborers	Male	4960	1376	1444	162	10078	14962	2324	22683
	Female	972	146	38	—	6313	7471	232	15240

Nonagricultural Wage and Salary Employment
By Place of Work
ALASKA
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	203700	206900	211900	217700	226700	233500	241200	243500	239800	230800	224200	220100	225000
Mining	8100	8200	8600	8800	9000	8900	9000	9200	9100	9000	8800	9000	8800
Construction	16000	16200	16600	18200	20600	22800	23800	25600	25100	22600	18100	15700	20100
Manufacturing	6900	7000	8200	9200	10800	13800	20100	18900	14800	9200	8300	7600	11200
Food & Kindred Prod.	2300	2400	3300	3700	5000	7700	14600	13300	9000	3900	3200	3000	6000
Lumber & Paper Prod.	1800	1800	2000	2400	2600	2800	2300	2400	2600	2300	2200	1700	2200
All Other Mfg.	2800	2800	2900	3100	3200	3300	3200	3200	3200	3000	2900	2900	3000
Trans. Comm. & Utilities	17400	17600	18000	18400	19400	19900	19900	20000	19500	19100	18500	18500	18900
Trucking & Whseing.	1900	1900	2000	2100	2400	2600	2600	2600	2300	2400	2300	2300	2300
Water Transportation	1000	1000	1100	1200	1400	1400	1500	1600	1500	1400	1200	1200	1300
Air Transportation	5600	5700	5900	6000	6300	6400	6400	6300	6100	6000	5900	5800	6000
Other Trans. Comm & Utilities	8900	9000	9000	9100	9300	9500	9400	9500	9600	9300	9100	9200	9200
Trade	40800	40500	41400	42500	44300	46400	46900	47500	46300	46200	46100	45900	44600
Wholesale	8100	8100	8200	8400	8700	9000	9000	8900	8700	8600	8600	8500	8600
Retail	32700	32400	33200	34100	35600	37400	37900	38600	37600	37600	37500	37400	36000
Gen. Mer. & Apparel	4700	4500	4600	4600	4900	5200	5300	5400	5300	5200	5400	5800	5100
Food Stores	5200	5200	5300	5400	5700	6100	6000	6000	6100	6100	6000	5900	5800
Eating & Drinking Pl.	11200	11300	11700	12200	12800	13600	14200	14800	13800	13900	13600	13300	13000
Other Retail Trade	11600	11400	11600	11900	12200	12500	12400	12400	12400	12400	12500	12400	12100
Finance-Ins. & R.E.	11200	11600	11900	12100	12400	12800	12800	12900	12700	12600	12500	12600	12300
Services & Misc.	40100	41000	41800	42100	43000	44400	45000	45100	45000	43800	43600	43100	43200
Government	63200	64800	65400	66400	67200	64500	63700	64300	67300	68300	68300	67700	65900
Federal	17500	17500	17500	17900	18300	18900	19300	19300	18700	18200	18000	18100	18300
State	18100	19100	19400	19600	19400	18800	18600	18600	19600	20100	20000	19400	19200
Local	27600	28200	28500	28900	29500	26800	25800	26400	29000	30000	30300	30200	28400

Nonagricultural Wage and Salary Employment
By Place of Work
ANCHORAGE
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	104200	105250	107350	109150	111850	114050	117650	117600	117100	115700	112800	112150	112100
Mining..................	3550	3650	3900	4050	4050	3900	4000	4100	4050	3850	3850	3950	3900
Construction..............	7950	7900	8250	8950	10100	11350	12150	12350	12050	11400	9400	8550	10000
Manufacturing............	2100	2100	2200	2350	2450	2950	3750	3400	3100	2550	2300	2250	2600
Food & Kindred Prod......	300	300	350	350	400	850	1600	1250	1000	500	300	300	600
Other Mfg.	1800	1800	1850	2000	2050	2100	2150	2150	2100	2050	2000	1950	2000
Trans. Comm. & Utilities ..	8500	8550	8650	9000	9550	9700	9850	9900	9500	9150	8650	8650	9100
Trucking & Whseing......	1050	1050	1050	1150	1350	1450	1450	1450	1250	1250	1200	1200	1200
Water Transportation.....	300	250	350	350	400	350	400	450	400	400	400	350	400
Air Transportation	3450	3500	3550	3750	3950	3950	4050	4000	3900	3600	3300	3250	3700
Other Trans. Comm. & Utilities	3700	3750	3700	3750	3850	3950	3950	4000	3950	3900	3750	3850	3800
Trade	25400	25250	25650	26000	26450	27300	27800	27750	27800	28300	28100	28550	27000
Wholesale	6200	6200	6300	6450	6500	6650	6800	6650	6650	6700	6650	6650	6500
Retail	19200	19050	19350	19550	19950	20650	21000	21100	21150	21600	21450	21900	20500
Gen. Merchandise	1700	1550	1550	1550	1550	1600	1650	1650	1700	1750	1800	1900	1700
Food Stores	2550	2550	2600	2700	2800	3000	3150	3200	3150	3350	3200	3200	3000
Eating & Drinking Pl. ...	7300	7400	7550	7500	7700	8100	8300	8300	8350	8500	8300	8350	8000
Other Retail Trade	7650	7550	7650	7800	7900	7950	7900	7950	7950	8000	8150	8450	7900
Finance-Ins. & R.E.	7850	8100	8300	8400	8600	8800	9000	9050	8950	8900	8800	8900	8600
Services & Misc.	24100	24550	25050	24850	25000	25400	26000	25900	25650	25450	25550	25300	25200
Government	24750	25150	25350	25550	25650	24650	25100	25150	26000	26100	26150	26000	25500
Federal..................	9950	9900	9900	10000	10100	10300	10600	10650	10350	10100	10050	10050	10200
State	6200	6650	6750	6800	6700	6200	6200	6200	6750	6900	6950	6850	6600
Local	8600	8600	8700	8750	8850	8150	8300	8300	8900	9100	9150	9100	8700

Nonagricultural Wage and Salary Employment
By Place of Work
ANCHORAGE-MATSU
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	109600	110700	112900	114900	118300	120900	124400	124950	124550	122850	119550	118650	118500
Mining..................	3600	3650	3900	4050	4050	3900	4000	4100	4100	3900	3850	3950	3900
Construction.............	8600	8550	9000	9850	11150	12550	13350	13700	13150	12400	10100	9150	11000
Manufacturing............	2150	2200	2250	2450	2600	3150	3850	3550	3250	2700	2400	2300	2700
Trans. Comm. & Utilities ..	9050	9100	9250	9500	10150	10350	10500	10650	10300	9900	9350	9350	9800
Trade....................	26650	26550	26950	27350	28050	29000	29400	29500	29550	30050	29850	30250	28600
Finance-Ins. & R.E.........	7950	8150	8300	8450	8700	8850	9100	9150	9000	9000	8900	9000	8700
Services & Misc.	25000	25450	26000	25800	26000	26400	27050	27050	27300	26900	27050	26750	26400
Government	26600	27050	27250	27450	27600	26700	27150	27250	27900	28000	28050	27900	27400

Nonagricultural Wage and Salary Employment
By Place of Work
INTERIOR
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	28250	29050	29700	30750	32800	33800	34550	34650	34800	33500	32200	31050	32100
Mining..................	150	200	200	250	300	300	350	350	350	300	300	300	300
Construction.............	1850	2100	2100	2250	3000	3600	3850	4150	4000	3350	2850	2350	3000
Manufacturing............	450	450	500	500	550	600	600	600	600	550	500	500	500
Trans. Comm. & Utilities ..	3300	3250	3350	3450	3700	3750	3750	3800	3800	3550	3300	3300	3500
Trade....................	5500	5500	5600	6000	6350	6750	6800	6750	6650	6400	6250	6150	6200
Finance-Ins. & R.E.........	900	950	1000	1000	1050	1050	1050	1050	1050	1050	1050	1050	1000
Services & Misc.	5050	5150	5400	5550	5650	6000	6300	6300	6150	5900	5750	5600	5700
Government	11050	11450	11550	11750	12200	11750	11850	11650	12200	12400	12200	11800	11800

Nonagricultural Wage and Salary Employment
By Place of Work
FAIRBANKS
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	24600	25300	25750	26650	28150	29000	29500	29750	29850	28900	27850	26950	27700
Mining..................	100	100	100	150	200	200	200	250	200	200	200	200	200
Construction..............	1750	2050	2050	2150	2900	3450	3750	3950	3800	3200	2700	2250	2800
Manufacturing............	450	450	450	500	500	550	600	600	550	550	500	450	500
Trans. Comm. & Utilities ..	2700	2600	2700	2750	2900	2950	3000	3000	3000	2750	2600	2600	2800
Trucking & Whseing......	400	350	350	400	450	500	450	450	400	400	400	400	400
Air Transportation	700	700	750	750	800	800	850	850	800	750	700	700	800
Other Trans. Comm. & Utilities	1600	1550	1600	1600	1650	1650	1700	1700	1800	1600	1500	1500	1600
Trade	5050	5100	5200	5650	5900	6300	6250	6200	6250	6000	5850	5750	5800
Wholesale	950	950	1000	1000	1000	1100	1100	1100	1100	1100	1050	1050	1000
Retail	4100	4150	4200	4650	4900	5200	5150	5100	5150	4900	4800	4700	4800
Gen. Mer. & Apparel.....	500	500	500	550	550	550	600	550	550	550	550	600	500
Food Stores	650	700	700	700	700	850	800	800	850	800	800	800	800
Other Retail Trade	2950	2950	3000	3400	3650	3800	3750	3750	3750	3550	3450	3300	3400
Finance-Ins. & R.E.........	850	900	900	950	950	1000	950	1000	1000	950	950	950	900
Services & Misc.	4850	4950	5150	5200	5350	5600	5800	5850	5700	5600	5450	5400	5400
Government	8850	9150	9200	9300	9450	8950	8950	8900	9350	9650	9600	9350	9200
Federal..................	2600	2550	2550	2700	2850	2900	2900	2850	2700	2650	2600	2600	2700
State	3600	3900	3950	3850	3800	3550	3650	3600	3850	4150	4200	3950	3800
Local	2650	2700	2700	2750	2800	2500	2400	2450	2800	2850	2800	2800	2700

Nonagricultural Wage and Salary Employment
By Place of Work
GULF COAST
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	16450	16800	17850	18400	19800	21600	25050	24650	22600	20300	19650	19150	20200
Mining....................	650	650	700	700	750	800	850	800	800	800	800	800	800
Construction...............	1200	1200	1350	1550	1800	2100	2450	2800	2700	2300	1800	1550	1900
Manufacturing.............	1600	1600	2150	2150	2750	4000	7200	6250	3950	2550	2350	2250	3200
Food & Kindred Prod......	1000	1000	1550	1500	2100	3300	6500	5600	3300	1900	1750	1650	2600
All Other Mfg.	600	600	600	650	650	700	700	650	650	650	600	600	600
Trans. Comm. & Utilities ..	2050	2100	2100	2050	2100	2150	2100	2150	2200	2150	2150	2150	2100
Trade	2850	2800	3000	3100	3300	3650	3750	3750	3650	3350	3300	3250	3300
Wholesale	350	350	400	450	500	600	600	550	550	450	450	400	500
Retail	2500	2450	2600	2650	2800	3050	3150	3200	3100	2900	2850	2850	2800
Finance-Ins. & R.E.........	550	600	600	650	650	650	650	650	650	650	650	650	600
Services & Misc.	2600	2650	2700	2950	3100	3200	3300	3350	3200	3000	3000	2950	3000
Government	4950	5200	5250	5250	5350	5050	4750	4900	5450	5500	5600	5550	5200
Federal	500	500	500	500	550	600	550	550	550	500	500	500	500
State	1400	1500	1550	1550	1550	1550	1550	1550	1650	1650	1650	1550	1600
Local	3050	3200	3200	3200	3250	2900	2650	2800	3250	3350	3450	3500	3200

Nonagricultural Wage and Salary Employment
By Place of Work
SOUTHEAST ALASKA
1984

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Nonag. Wage & Salary	25750	26100	26850	28250	29350	30700	31150	32550	31650	29450	28550	27800	29000
Construction	1350	1350	1500	1750	2000	2050	2200	2450	2350	2150	1800	1450	1900
Manufacturing	2000	2000	2250	2950	3300	3700	3950	4650	4000	2650	2350	1950	3000
Food & Kindred Prod.	350	350	450	800	850	1100	1850	2450	1600	600	450	400	900
Lumber & Paper Prod.	1450	1450	1600	1900	2200	2350	1850	1950	2100	1800	1650	1300	1800
All Other Mfg.	200	200	200	250	250	250	250	250	300	250	250	250	200
Trans. Comm. & Utilities	1750	1800	1800	1850	1850	2100	2100	2150	2150	2000	1950	2000	2000
Trade	4050	4050	4150	4300	4700	5100	5150	5350	5100	4900	4850	4900	4700
Wholesale	350	350	350	350	400	400	400	450	400	400	400	400	400
Retail	3700	3700	3800	3950	4300	4700	4750	4900	4700	4500	4450	4500	4300
Finance-Ins. & R.E.	950	950	1000	1000	1050	1100	1150	1200	1150	1100	1100	1150	1100
Mining, Services & Misc.	4250	4300	4400	4450	4650	4900	4950	5000	5000	4700	4500	4500	4600
Government	11400	11650	11750	11950	11800	11750	11650	11750	11900	11950	12000	11850	11800
Federal	1900	1950	1950	2050	2100	2200	2200	2150	2100	2000	2000	1950	2000
State	5350	5400	5450	5650	5450	5600	5450	5450	5500	5450	5400	5250	5500
Local	4150	4300	4350	4250	4250	3950	4000	4150	4300	4500	4600	4650	4300

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	215300	220100	203700	-4800	11600
Mining	9200	9000	8100	200	1100
Construction	14400	15700	16000	-1300	-1600
Manufacturing	6900	7600	6900	-700	0
Food & Kindred Prod.	2200	3000	2300	-800	-100
Lumber & Paper Prod.	1700	1700	1800	0	-100
All Other Mfg.	3000	2900	2800	100	200
Trans. Comm. & Utilities	18000	18500	17400	-500	600
Trucking & Whseing.	2200	2300	1900	-100	300
Water Transportation	1000	1200	1000	-200	0
Air Transportation	5800	5800	5600	0	200
Other Trans. Comm. & Utilities	9000	9200	8900	-200	100
Trade	44300	45900	40800	-1600	3500
Wholesale	8400	8500	8100	-100	300
Retail	35900	37400	32700	-1500	3200
Gen. Mer. & Apparel	5300	5800	4700	-500	600
Food Stores	5900	5900	5200	0	700
Eating & Drinking Pl.	12700	13300	11200	-600	1500
Other Retail Trade	12000	12400	11600	-400	400
Finance-Ins. & R.E.	12500	12600	11200	-100	1300
Services & Misc.	42900	43100	40100	-200	2800
Government	67100	67700	63200	-600	3900
Federal	18000	18100	17500	-100	500
State	19000	19400	18100	-400	900
Local	30100	30200	27600	-100	2500

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes premilinary estimates.

R/ Denotes revised estimates.

to Local Government, Alaska University, Institute of Social and Economic Research, September 1983.) State aid to assist local government in operating expenses come in the form of revenue sharing and municipal assistance. The state government also pays a substantial share of the costs of building schools in Alaska and much of the costs of operating them through the school foundation program.

Jobs are also created through capital appropriations. Besides education and capital grants to municipalities, the state funds other building construction; highway, airport, and other transportation projects; water and sewer, harbors, docks and flood control, and energy projects and equipment purchases. For every $1 million in state spending for capital projects the Institute of Social and Economic Research estimates that five to six direct jobs are created (Table 2).

The operating budget not only includes funds for state personnel, it includes monies for pass through grant to nonprofit organization and monies for contractors and consultants that provide services to Alaska residents. Many education, social and business services are funded by the state, but provided by the private sector. Loan programs also contribute to employment in Alaska and have been a boom to the construction industry the past several years.

While no estimate is made to determine the total direct employment created as a result of state expenditures it is clearly substantial. Also, state expenditures in the form of salary, contracts, and purchases create additional jobs. Estimates of these additional jobs depend on the type expenditure—from an estimated 1.5 additional jobs for each full time state worker to approximately .5 additional jobs for each construction worker on certain type state funded projects.

Total employment created by state expenditures is significant in Alaska. Directly and indirectly state expenditures are responsible for employment nearly equal to one-half the nonagricultural wage and salary employment (nonagricultural wage and salary employment does not include seafood harvesting employment and the self employed). Reductions in state spending will be felt in all industries and all communities throughout the state. On average, reductions in capital appropriations will have a smaller impact on total employment than would reductions in state government employment through cuts in the operating budget. While the short term impact of reduced state expenditures will mean a slower rate of employment growth, or actual declines in statewide total employment if the price of oil drops significantly, the long run benefits are an economy less dependent on price changes of a single resource.

Table 2
Economic Impact of $1 Million of State Spending: Contract Construction and Operations

Project Type	Direct	Total 3/
Construction		
School	5.30	10.62
Office	5.74	10.70
Hospital	5.97	11.30
Sewers	4.64	8.94
Highway and Street	3.69	8.62
Land Reclamation	6.19	10.93
Operations		
Highway and Street Maintenance	6.71	12.45
Nonfarm Building Maintenance	7.73	12.83
General Government Operations	17.01	24.88

1/ At 1982 average wage rate levels.

2/ Wage and salary employment in Alaska is independent of the residence of the worker (does not include proprietors).

3/ Total = direct + indirect + induced.

Source: The Fiscal Impact of Capital Spending in Alaska, University of Alaska, Institute of Social and Economic Research, December 1984.

Average Annual 1/2/
Equivalent Employment Produced (Jobs)

ANCHORAGE/MATSU

By Greg Huff

1984 Benchmark

During the first quarter of every year we revise the previous year's industry employment estimates by the process referred to as "benchmark." Benchmark consist of replacing the first six months of employment estimates of the past year with actual counts of nonagricultural wage and salary employment and using that data as a base to re-estimate employment for the last six months of the year to reflect the more accurate actual counts. These actual counts are derived from unemployment insurance records in a program referred to as ES-202. The actual counts are normally delayed six to nine months.

As can be seen in Table 1, the lack of actual counts resulted in an under-estimation of employment in Anchorage. Because the original estimates are based on a sample of employers, they are subject to error. The first column of Table 1 lists the benchmark estimates and the second column lists the estimates as they originally appeared in *Alaska Economic Trends* and the third and fourth columns list the number and percentage difference from the original estimates and the benchmark estimates. For the Anchorage area the result of the 1984 benchmark was an increase in 1984 annual employment to a level of 112,100. This reflects a 7.1% growth over 1983 employment levels instead of the 5.0% indicated by the earlier estimates.

A combination of factors contributed to the under-estimation of employment growth by the original estimates. In general the strength and duration of the economic expansion was not picked up by the monthly employment samples. The employment estimating methodology is vulnerable to under-estimation during periods of rapid expansion because of the lag-time required to incorporate into the sample new firms in the market.

Construction employment, surprisingly, continued to grow despite a much slower residential construction season. Nineteen eighty-four was an exceptional commercial construction year. The oil and gas industry had a better year than previously thought. Despite the Mukluk disappointment and the falling price of oil, oil and gas companies made a strong come-back from the turn down year of 1983. In absolute terms the largest difference between the original estimates and benchmark estimates was in the services industries. The services sector employment experienced a broader based and stronger expansion than previously estimated. All sectors from the motel/hotel sector to an array of business services and health related firms made large gains in employment. The industry with the largest percentage differential between the original estimates and the benchmark estimates

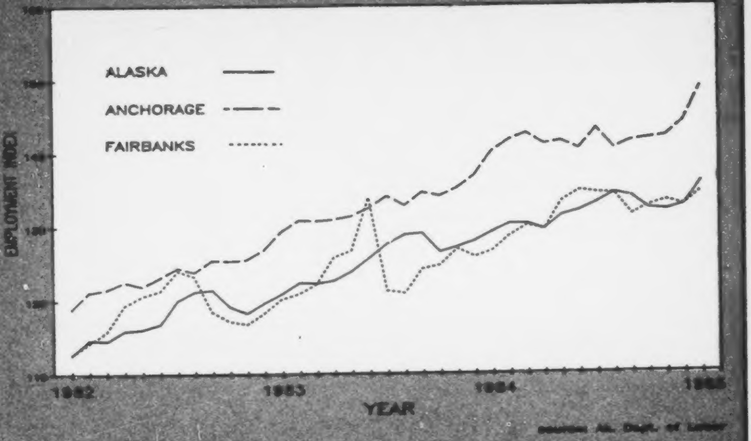
LABOR FORCE BY REGION AND CENSUS AREA

	Labor Force			Unemployment			Rate			Employment		
	P 1 85	R 12 84	1 84	P 1 85	R 12 84	1 84	P 1 85	R 12 84	1 84	P 1 85	R 12 84	1 84
Alaska Statewide	240284	238469	227746	26931	24581	28487	11.2	10.3	12.5	213353	213888	199259
Anchorage-Matsu Region	132158	129851	122440	12313	11231	11198	9.3	8.6	9.1	119845	118620	111242
Anchorage Borough	117676	115803	109306	9629	8861	9015	8.2	7.7	8.2	108047	106942	100291
Mat-Su Borough	14482	14048	13134	2684	2370	2183	18.5	16.9	16.6	11798	11678	10951
Gulf Coast Region	23760	24783	22979	3340	3395	4219	14.1	13.7	18.4	20420	21388	18760
Kenai Peninsula Borough	14746	15148	14241	2285	2096	2793	15.5	13.8	19.6	12461	13052	11448
Kodiak Island Borough	5360	5892	5120	536	840	689	10.0	14.3	13.5	4824	5052	4431
Valdez-Cordova	3654	3743	3618	519	459	737	14.2	12.3	20.4	3135	3284	2881
Interior Region	35447	34967	33900	5317	4517	5738	15.0	12.9	16.9	30130	30450	28162
Fairbanks North Star Borough	28803	28409	27404	4460	3808	4651	15.5	13.4	17.0	24343	24601	22753
Southeast Fairbanks	2832	2783	2687	381	305	396	13.5	11.0	14.7	2451	2478	2291
Yukon-Koyukuk	3812	3775	3809	476	404	691	12.5	10.7	18.1	3336	3371	3118
Northern Region	7725	7539	7953	683	541	1039	8.8	7.2	13.1	7042	6998	6914
Kobuk	2427	2364	2507	217	168	337	8.9	7.1	13.4	2210	2196	2170
Nome	3294	3191	3322	347	262	428	10.5	8.2	12.9	2947	2929	2894
North Slope Borough	2004	1984	2124	119	111	274	5.9	5.6	12.9	1885	1873	1850
Southeast Region	31101	30989	30782	4431	4022	5180	14.2	13.0	16.8	26670	26967	25602
Haines Borough	1065	1025	1014	225	176	208	21.1	17.2	20.5	840	849	806
Juneau Borough	11596	11626	11303	1274	1188	1393	11.0	10.2	12.3	10322	10438	9910
Ketchikan Gateway Borough	6683	6739	6627	1026	1019	1197	15.4	15.1	18.1	5657	5720	5430
Prince of Wales-Outer Ketchikan	2367	2289	2333	445	346	488	18.8	15.1	20.9	1922	1943	1845
Sitka Borough	3838	3879	3819	432	435	550	11.3	11.2	14.4	3406	3444	3269
Skagway-Yakutat-Angoon	2045	1950	1962	451	339	432	22.1	17.4	22.0	1594	1611	1530
Wrangell-Petersburg	3507	3481	3724	578	519	912	16.5	14.9	24.5	2929	2962	2812
Southwest Region	10093	10340	9692	847	875	1113	8.4	8.5	11.5	9246	9465	8579
Aleutian Islands	2395	2465	2297	78	93	147	3.3	3.8	6.4	2317	2372	2150
Bethel	3932	4045	3798	360	388	484	9.2	9.6	12.7	3572	3657	3314
Bristol Bay Borough	418	414	379	55	42	42	13.2	10.1	11.1	363	372	337
Dillingham	1725	1745	1607	192	176	185	11.1	10.1	11.5	1533	1569	1422
Wade Hampton	1623	1671	1611	162	176	255	10.0	10.5	15.8	1461	1495	1356

P =Preliminary 1983 Benchmark

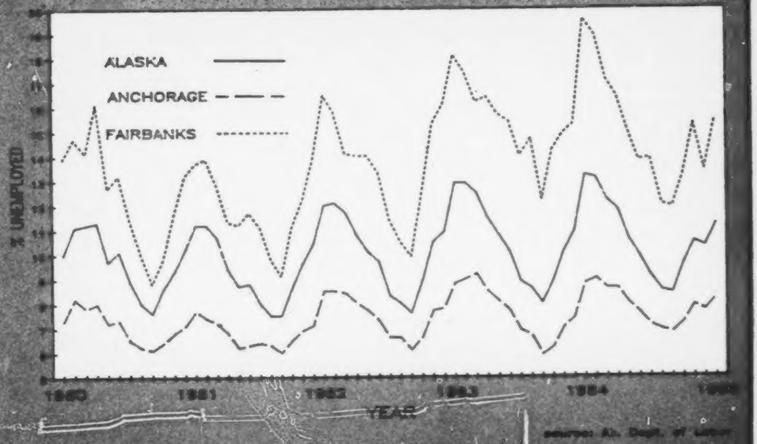
R =Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor: because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.



Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 To Present

source: Ak. Dept. of Labor



UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1980 To Present

source: Ak. Dept. of Labor

was in the finance, insurance and real estate. The major surprise in the finance, insurance and real estate industry was the extent to which the real estate sector employment skyrocketed, nearly doubling employment over 1983 levels. Banks, savings and loans and credit unions reported record profits in 1984 and was echoed by record breaking employment gains.

Table 1
Comparison of 1984 Benchmark and Original Estimates of Anchorage Employment

	1984 Benchmark Est.	1984 Original Est.	# Diff.	% Diff.
Total Employment	112100	108900	-320	-2.9%
Mining	3900	3550	-350	-9.0
Construction	10000	9550	-450	-4.5
Manufacturing	2600	2600	—	—
Trans. Comm. & Utilities	9100	9100	—	—
Wholesale	6500	6250	-250	-3.8
Retail	20500	21100	+600	+3.0
Finance-Ins. & Real Estate	8600	7300	-1300	-15.0
Services	25200	23800	-1400	-6.0
Government	25500	25700	+200	+0.8

January Employment

January employment reflected a stronger economy than anticipated several months ago. Construction employment remains exceptionally strong despite small over-the-year declines. There were only two other industries registering a fall in employment levels from the previous year. Those were the food and kindred products and air transportation sectors. The food and kindred products employment has been below year-ago levels for over a year and air transportation employment is down due to the Wien layoffs. The usual seasonal patterns occurred in January. Trade employment took its usual decline after the holidays and the University of Alaska at Anchorage and Anchorage Community College employment took a temporary dip in employment for the holiday break.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	111000	112150	104200	-1150	6800
Mining	4150	3950	3550	200	600
Construction	7650	8550	7950	-900	-300
Manufacturing	2200	2250	2100	-50	100
Food & Kindred Prod.	250	300	300	-50	-50
Other Mfg.	1950	1950	1800	0	150
Trans. Comm. & Utilities	8700	8650	8500	50	200
Trucking & Whseing.	1200	1200	1050	0	150
Water Transportation	350	350	300	0	50
Air Transportation	3300	3250	3450	50	-150
Other Trans. Comm. & Utilities	3850	3850	3700	0	150
Trade	27750	28550	25400	-800	2350
Wholesale	6600	6650	6200	-50	400
Retail	21150	21900	19200	-750	1950
Gen. Merchandise	1700	1900	1700	-200	0
Food Stores	3200	3200	2550	0	650
Eating & Drinking Pl.	8200	8350	7300	-150	900
Other Retail Trade	8050	8450	7650	-400	400
Finance-Ins. & R.E.	8650	8900	7850	-250	800
Services & Misc.	26150	25300	24100	850	2050
Government	25750	26000	24750	-250	1000
Federal	10050	10050	9950	0	100
State	6500	6850	6200	-350	300
Local	9200	9100	8600	100	600

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	117750	118650	109600	-900	8150
Mining	4150	3950	3600	200	550
Construction	8350	9150	8600	-800	-250
Manufacturing	2300	2300	2150	0	150
Trans. Comm. & Utilities	9300	9350	9050	-50	250
Trade	29300	30250	26650	-950	2650
Finance-Ins. & R.E.	9250	9000	7950	250	1300
Services & Misc.	27450	26750	25000	700	2450
Government	27650	27900	26600	-250	1050

FAIRBANKS/INTERIOR

By Neal Fried

Delta's Employment Picture 1980-1984

The Alaska Department of Labor now has the capability to produce employment numbers for the Delta area labor market. This area includes Fort Greely-Delta Junction and Big Delta. These numbers should shed some light on the workings of the Delta areas economy, and in the future give us the ability to track the community's progress.

Delta's nonagricultural wage and salary employment grew by 21% over the past four years. This is slower than the State's experience (32%) but it still represents strong growth. It is not surprising Delta has lagged behind the statewide average, given the size of the area's economy. With a wage and salary work force of 817, the income produced in the community leaks rapidly out of the community. The secondary sector (retail trade, services, and finance insurance and real estate) is too small to capture a large share of this income. The work force is too small to support a large secondary and tertiary sector, which means the community's residents rely heavily on Fairbanks or elsewhere for many of their goods and services. Without a viable secondary sector, the wages and salaries earned from the area's basic industries (government, agriculture, and tourism) do not circulate in Delta's economy, creating little additional economic activity. This has resulted in a secondary sector in Delta which is relatively smaller than that of larger communities, causing overall employment growth rates to be lower than statewide growth rates.

In spite of this, Delta's wage and salary work force has grown by 5% per year. The mainstay of the area's economy continues to be government. Government in 1984 employed 71% of the wage and salary work force. The single largest employer in the area is Fort Greely. The federal government alone employs 50% of the wage and salary work force. Federal government employment has climbed 55% since 1980. State and local government has also grown, but not quite as rapidly.

Most of Delta's other industries have made employment gains, particularly trade. Trade employment grew from 53 in 1980 to 94 in 1984. Two industries which declined were services and transportation. This apparently resulted from some cutbacks of oil pipeline support staff. Delta also benefits from visitors and new residents traffic on the Alaska and Richardson highway. The volume of traffic has grown by almost 50% since 1980, providing a boost to retail trade and other services. One emerging industry in the Delta region largely not captured by our numbers is agriculture. Farmers are not counted in our figures but some of the support industries are. Acres planted and harvested in the region have steadily climbed providing additional economic stimulus to the region.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	26150	26950	24600	-800	1550
Mining	200	200	100	0	100
Construction	1950	2250	1750	-300	200
Manufacturing	450	450	450	0	0
Trans. Comm. & Utilities	2600	2600	2700	0	-100
Trucking & Whseing.	450	400	400	50	50
Air Transportation	700	700	700	0	0
Other Trans. Comm. & Utilities	1450	1500	1600	-50	-150
Trade	5550	5750	5050	-200	500
Wholesale	1050	1050	950	0	100
Retail	4500	4700	4100	-200	400
Gen. Mer. & Apparel	550	600	500	-50	50
Food Stores	750	800	650	-50	100
Other Retail Trade	3200	3300	2950	-100	250
Finance-Ins. & R.E.	900	950	850	-50	50
Services & Misc.	5200	5400	4850	-200	350
Government	9300	9350	8850	-50	450
Federal	2700	2600	2600	100	100
State	3850	3950	3600	-100	250
Local	2750	2800	2650	-50	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	30150	31050	28250	-900	1900
Mining	300	300	150	0	150
Construction	2050	2350	1850	-300	200
Manufacturing	450	500	450	-50	0
Trans. Comm. & Utilities	3300	3300	3300	0	0
Trade	6000	6150	5500	-150	500
Finance-Ins. & R.E.	950	1050	9000	-100	50
Services & Misc.	5400	5600	5050	-200	350
Government	11700	11800	11050	-100	650

Though employment has grown, there has been no corresponding decline in unemployment. Unemployment during the past 2 years has remained in the 12% range. Seasonality, lack of full time employment, and in-migration of job seekers has kept the rate high. This situation plagues most of rural Alaska, and Delta is no exception.

Delta Employment
1980-1984

	First Six Months 1980	First Six Months 1984
Total Nonag. Wage & Salary	673	817
Mining	•	•
Construction	10	25
Manufacturing	7	10
Trans. Comm. & Utilities	37	24
Trade	53	94
Finance-Ins. & Real Estate	•	•
Services & Miscellaneous	157	71
Government	405	584
Federal	264	410
State	2	15
Local	140	159

• Nondisclosable.

GULF COAST

By Neal Fried

Employment in Homer 1980-1984

Employment growth in the State, the Kenai Peninsula and Homer has been impressive the past four years. Homer's employment growth has actually out paced both the Peninsula's and the State's. Homer's wage and salary employment (see table) has increased by 34% during the past four years, compared to 32% statewide. This probably comes as little surprise to the area's residents given the unprecedented expansion the community has been experiencing. Twelve hundred new residents have moved to Homer since 1980, which boosted the population to 3,432 residents. This represents a 55% increase in four years.

Record state expenditures and toursim are responsible for most of the growth. Increased state expenditures have provided construction funds and local government assistance as well as state subsidized loans and permanent fund dividends, all of which have had the affect of pushing employment and income upwards. State expenditures have allowed Homer to make major expansions to its port and harbor facilities, which in turn are expected to provide additional stimulus to two of the community's economic mainstays, the fishing and tourism industries.

State expenditures have helped triple Homer's construction employment in four years. With the port and harbor facilities expansion, new schools, roads, an addition to the hospital and a housing boom (with 168 permits issued), 1984 was a record year for residential construction in Homer. Homer was also the temporary beneficiary of a boundary error, which classified the city as a rural community, allowing residents to qualify for subsidized loans with lower interest rates. However, even without this error, Homer would have had a strong building season.

Homer's vibrant tourist industry has been another big contributor to the area's expanding economy. Homer has not only benefited from the increase in out-of-state tourists but has made gains from an increasing number of tourists from Southcentral Alaska. The single biggest reason why out-of-state tourists come to the Peninsula (30%) is to visit friends and relatives. This means Homer's growing resident population indirectly creates a bigger demand for its tourist facilities. Homer's secondary industries have responded to this growth in income, tourism and population. Trade, services and finance, insurance and real estate employment have grown by 30%, 42%, and 90%, respectively.

Government employment has also increased, largely in response to the community's growing population. Most of the increases have come in local government because of increased demands for services and the growth in the school age population. The only industry that experienced declines during this period has been manufacturing, or more specifically, fish processing. This is largely a result of the disappointing king crab and shrimp harvests. In the long run, however, the port and harbor expansions should stimulate further growth in the fishing industry.

In spite of the city's record rate of employment growth, the unemployment picture is not as good. Homer is dependent to a large degree on seasonal industries. Homer is particularly vulnerable since two of its largest industries, tourism and fishing are seasonal. This means many of its residents work only part of the year. Homer has also experienced a large increase in population, which has quickly absorbed new employment opportunities. These two factors have kept the unemployment rates high on the Peninsula. Though there are no specific unemployment rates for Homer, the rate for the Kenai Peninsula in 1984 was 15.4%. This high rate indicates a fiercely competitive labor market.

Homer Employment
1980-1984

	First Six Months 1980	First Six Months 1984
Total Nonag. Wage & Salary	1143	1528
Mining	*	*
Construction	64	157
Manufacturing	*	*
Trans. Comm. & Utilities	176	188
Trade	197	257
Finance-Ins. & Real Estate	39	74
Services & Miscellaneous	172	245
Government	241	335
Federal	28	35
State	3	19
Local	210	281

* Nondisclosable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	17900	19150	16450	-1250	1450
Mining	750	800	650	-50	100
Construction	1300	1550	1200	-250	100
Manufacturing	1850	2250	1600	-400	250
Food & Kindred Prod.	1200	1650	1000	-450	200
All Other Mfg.	650	600	600	50	50
Trans. & Comm. Utilities	2100	2150	2050	-50	50
Trade	3100	3250	2850	-150	250
Wholesale	400	400	350	0	50
Retali	2700	2850	2500	-150	200
Finance-Ins. & R.E.	600	650	550	-50	50
Services & Misc.	2900	2950	2600	-50	300
Government	5300	5550	4950	-250	350
Federal	500	500	500	0	0
State	1450	1550	1400	-100	50
Local	3350	3500	3050	-150	300

SOUTHEAST ALASKA

By John Boucher

Juneau 1982 to 1984: Aftermath of the 1982 Vote

Prior to the resolution of the 1982 capital move vote, there was much debate about what the outcome of the vote would have upon Alaska's capital city. In general terms, there was no doubt that no matter what the results, the vote would have a long lasting effect on the economy of Juneau. With the result of the election now history and Juneau preserved as the capital an examination of what employment has done since the move will give an insight as to what the capital move vote has meant to the Juneau economy in the short run.

It was widely assumed that the spectre of the capital move represented a threatening cloud on Juneau's economic horizon from the period of 1972 to 1982. However, the threat of the capital move did not entirely dampen Juneau's economic spirit. Growth in just about every sector of the economy was healthy although it might have been considered restrained. (For more on Juneau during this period please refer to the January 1984 issue of *Alaska Economic Trends.)*

Once the capital move issue was resolved, it was also widely assumed that the positive effect on the Juneau economy would be dramatic. There are outward indications that the Juneau economy has expanded rapidly during the postvote period. For example, the amount of retail floor space available in Juneau since 1982 has nearly doubled, and that in 1983 alone the amount of non-state-owned office space available in downtown Juneau grew by 50%. Franchise operations such as McDonalds and chains such as Fred Meyer have also opened stores since 1982. However, if just employment is examined, it is somewhat surprising to find that on an annual average percentage growth basis, the period from 1972 to 1982 outperformed the period from 1982 to 1984.

Closer examination of the numbers reveals why employment has grown at a slower pace after the vote than before 1982. Government employment, the industry which accounts for more than 50% of employment in Juneau, has slowed its growth considerably during the past two years. In fact state government, the city's largest industry, actually lost employment during the period since the capital move vote (see table).

Services employment, the third largest industry in the capital city, also grew at a slower pace from 1982 to 1984 than it had been during the previous 10 years. The industries that showed the strongest growth during this latest period were trade, both the wholesale and retail sectors, and construction. So while it is clear that the vote was a boon to residential and commercial construction and meant an expansion in retail trade businesses, the impact it had upon other industries is clouded.

Juneau Employment
1982-1984

	First* Six Mos. 1982	First* Six Mos. 1984	Annual Avg. % Change	Annual Avg. % Change 1972-1982
Total Nonag. Wage & Salary	12015	13059	4.2%	4.7%
Mining	6	30	123.6%	4.1%
Construction	408	692	30.2%	-1.6%
Manufacturing	118	179	23.1%	11.3%
Trans., Comm. & Utilities	945	773	-9.6%	4.5%
Trade	1791	2098	8.2%	6.3%
Wholesale	159	184	7.6%	4.5%
Retail	1632	1914	8.3%	6.5%
Agricultural and Nonclassifiable Establishments	46	138	73.2%	1.6%
Finance-Ins. & R.E.	514	544	2.9%	9.8%
Services	1698	1950	7.2%	9.4%
Government	6489	6655	1.3%	3.8%
Federal	952	1007	2.9%	.6%
State	4410	4358	1.0% **	4.5% **
Local	1127	1290		

* Represents an average of the first six months of the year.

** State and local government data not available separately prior to 1975. The percentage increases are for combined state and local government employment.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	1/85	12/84	1/84	12/84	1/84
Nonag. Wage & Salary	26850	27800	25750	-950	1100
Construction	1150	1450	1350	-300	-200
Manufacturing	1850	1950	2000	-100	-150
Food & Kindred Prod.	350	400	350	-50	0
Lumber & Paper Prod.	1250	1300	1450	-50	-200
All Other Mfg.	250	250	200	0	50
Trans. Comm. & Utilities	1750	2000	1750	-250	0
Trade	4650	4900	4050	-250	600
Wholesale	350	400	350	-50	0
Retail	4300	4500	3700	-200	600
Finance-Ins. & R.E.	1150	1150	950	0	200
Mining, Services & Misc.	4450	4500	4250	-50	200
Government	11850	11850	11400	0	450
Federal	1900	1950	1900	-50	0
State	5500	5250	5350	250	150
Local	4450	4650	4150	-200	300

The slowdown of revenue to the state treasury from oil industry taxation is the largest reason for state and local government employment slowing from 1982 to 1984. Services related employment has also been effected by the slowdown because business services, such as consultants who contract a large part of their work from the state government, have been curtailed. In retrospect, the expansion in Juneau following the resolution of the capital move vote might not have been as broad based as some expected because of the Juneau economy's close tie to the dominant force in Alaska's economy today, state expenditures.

HOURS AND EARNINGS

By Kathleen Thomas

Revised 1984 Estimates

The pattern of hours and earnings will be changing this month. In previous *Alaska Economic Trends* articles, hours and earnings lagged a month behind nonagricultural wage and salary employment presented in the same publication. With this issue, and in future issues, hours and earnings will correspond with the month of the employment data. Another event affecting hours and earnings this month is the benchmarking process whereby average hourly earnings and average weekly hours are updated with benchmarked employment numbers. Additional monthly data are available and the annual averages for each industry are recalculated. Presented in the attached table are the annual averages of major industries for the years 1972 through 1984.

The most striking change in the 1984 annual average hours and earnings is the decrease in average hourly earnings in five of the nine industries, the most to decline in one year since this series of data originated in 1972. Even the post-pipeline declines of 1978 resulted in only four of the nine industries having drops in average hourly earnings. For six of the previous twelve years no declines occurred in average hourly earnings, i.e., every industry increased.

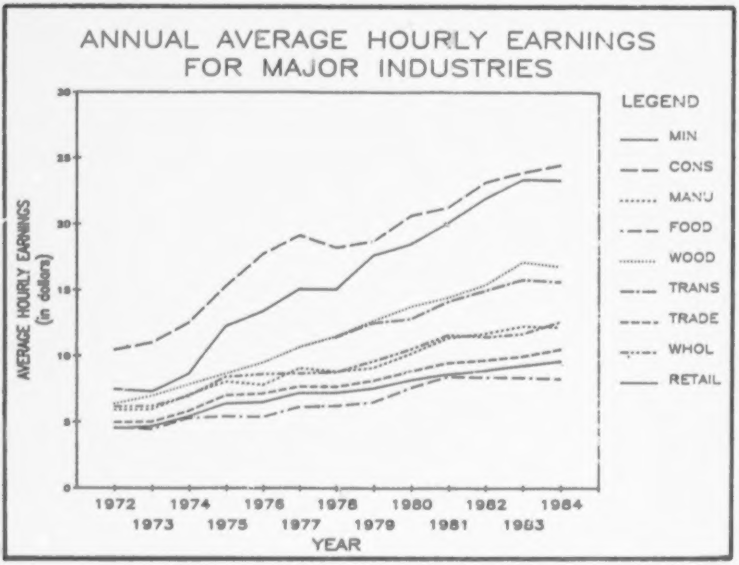
Average hourly earnings in mining have leveled off during 1984 after dramatic increases during the oil boom years. With oil and gas production leveling off, employment growth in mining has moderated. Also, the high salaries used to lure potential employees during the boom years are no longer needed as an increased resident population makes the employment situation more competitive.

Average hourly earnings in construction from 1983 to 1984 had the smallest increase since 1978. Activity in the construction industry declined in 1984 from the 1982/83 boom years and employment is down from their recent high levels. Higher wages are no longer required to recruit construction workers from the lower 48.

Average hourly earnings for all of manufacturing declined. The drops were indicative of the problems in the manufacturing industry. Employment in food and kindred products has been dropping in numbers due to lower volumes of seafood and a switch from canning of seafood to fresh and frozen product which requires less employment for volume of fish processed. The lumber and paper products sector of manufacturing has also been experiencing declines in employment as a weak export market and unfavorable exchange rates have adversely affected the industry. Manufacturing is also affected by declining construction activity as fewer goods are required by the construction industry.

Major increases in average hourly earnings occurred in wholesale and retail trade during 1984. Alaska's increasing population increases the need for more wholesale and retail goods. Rather than continue to order goods from outside the state, more and more people are making local purchases. Accompanying the growing industry are increasing wage rates.

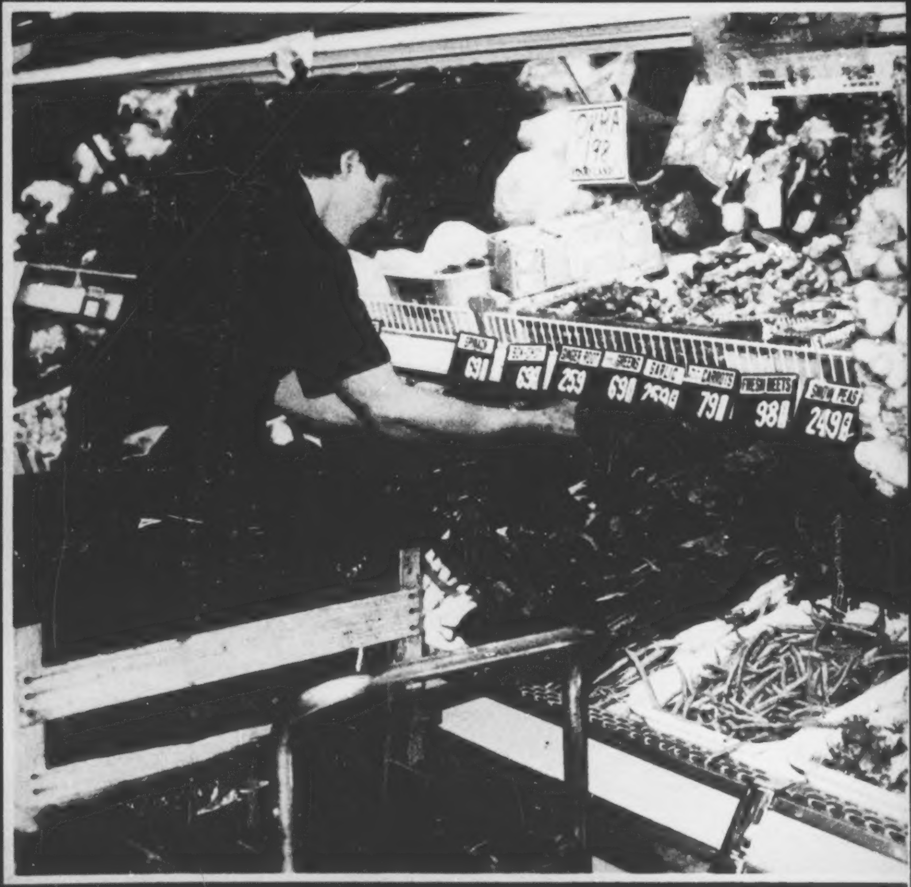
Average hourly earnings in the state of Alaska have increased in previous years to meet the needs of a growing state. As those needs were met the growth of average hourly earnings has moderated. This is evidenced by lower 1984 average hourly earnings.



APRIL 1985 – 5/13/85 S0320-1

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska


69¢
69¢
259
69¢
CARROTS
79¢
FRESH BEETS
98¢
SNOW PEAS
249

1 The Cost of Doing Business and the Cost of Living in Alaska

ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
John Boucher, *Editor*

Funded by:

JOB SERVICE

April 1985
Volume 5
Issue 4

CONTENTS

The Cost of Doing Business and the Cost of Living in Alaska 1

Alaska-*Oil and Gas Employment* 11
Anchorage/MatSu-*Anchorage Labor Turnover* 15
Fairbanks/Interior-*Employment in the Doyon Region* 20
Gulf Coast-*Copper River Employment Picture* 26
Southeast Alaska-*Southeast Unemployment* 29
Hours and Earnings-*February Hours and Earnings* 32

Labor Force By Region and Census Division .... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99802.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99802.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

THE COST OF DOING BUSINESS AND THE COST OF LIVING IN ALASKA

By Kathleen Thomas and John Boucher

It is often said that the cost of doing business in Alaska far exceeds that of other parts of the country. To examine this possibility various business and living costs are evaluated for five metropolitan areas, three in Alaska and two in the contiguous United States. The three areas in Alaska are Fairbanks, Anchorage, and Juneau and the two in the contiguous United States are Seattle and Washington, D.C. The costs examined include both the direct costs of business and the cost of maintaining employees at the work site. In this article the costs of doing business examined are wage rates, office space rental rates, auto rental rates, hotel and motel room rates, shipping rates (air and barge), air fares, utility rates, insurance rates, heavy equipment rental rates, and the cost of office equipment. The cost of living comparisons include costs of food at home, housing costs (buying and renting), personal income, family budget comparisons, shipping of personal effects, residential utility rates, and insurance rates.

The data are obtained from a multitude of sources. Some data have been previously published while other data are from an in-house survey conducted for this article. Sometimes a mix of methods were used. For example, if the data for Alaska have been published, they are used but a telephone survey may have been necessary to gather unpublished data in Seattle and Washington, D.C. When the data are from a published source the source will be noted on the table representing the data.

For the purposes of the narrative the data will be explained and summarized. The detailed data are available in the accompanying tables. The data are useful for comparison purposes but extraneous variables could result in variations in costs to individual businesses not obvious in the data presented here. A difference in locale, method of operation, and size of operations could affect the use of the data. Some of the variables that should be considered when reviewing the data are listed below.

The first variable is that smaller, more isolated towns may not have the variation in prices available in larger cities. The data for which a range of prices is given is necessarily not an all inclusive range. For example, the range of hotel and motel room rates in Juneau may include almost all rates for the whole town. At the same time the range of rates in Seattle may cover only the medium priced hotels and motels. Smaller motels in the Seattle area may offer lower rates and larger, luxury hotels may have higher rates. With a highly centralized metropolitan area like Washington, D.C., hotel room rates become cheaper the farther away they are from the central business district. The main point is that all of these rates are median ranges for comparison purposes only and subject to individual variations.

Secondly, a variation could exist due to the quantity of a good purchased by a firm. Discounts are generally given for the purchase of larger quantities of goods whether it is typewriters or heating fuel. This factor is affected by both firm size and community size. The larger the community, the greater the quantity ordered by the retailer, the larger the discount given to the retailer by the wholesaler, leading to a lower price for an individual machine. The same reasoning would be true for a larger firm that buys directly from the wholesaler, regardless of the size of the community. The larger the quantity bought by the individual firm the lower the price of the individual machine.

Another variable to be considered is the difference in the way communities operate. Even when relative prices are comparable, one community may emphasize the use of electricity for heating while another may emphasize the use of fuel oil. Some communities may assist the development of resources or firms through financing or grants while others rely on the firm to be self sufficient.

Smaller communities in Alaska, especially those located some distance from a population center have their own unique problems and factors that could not be considered in this survey. Items that have to be brought into these areas such as food, fuel oil and other supplies or local purchases may be exorbitantly expensive. However, one thing to be considered in some of these areas is the contribution a subsistance lifestyle can make in keeping living costs lower.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 1/85	r/ 12/84	1/84	p/ 1/84	r/ 12/84	1/84	p/ 1/85	r/ 12/84	1/84
Mining	$23.75	$23.44	$21.35	52.2	54.1	49.9	$1239.75	$1268.10	$1065.36
Contract Construction	23.97	24.14	23.78	41.1	38.9	40.6	985.17	939.05	965.47
Manufacturing	15.08	15.03	15.07	26.0	29.9	33.6	392.08	449.40	506.35
Food & Kindred Products	10.03	9.71	8.94	13.8	20.1	23.3	138.41	195.17	208.30
Lumber & Paper Products	17.30	17.54	18.02	31.3	34.5	36.8	541.49	605.13	663.14
Trans. Comm. & Utilities	15.45	15.68	15.34	33.9	34.7	39.1	523.76	544.10	599.79
Trade	10.79	10.57	10.45	32.9	34.8	34.1	354.99	367.84	356.35
Wholesale	13.20	12.31	12.38	35.7	39.2	37.3	471.24	482.55	461.77
Retail	9.80	9.86	9.62	31.9	33.3	32.9	312.62	328.34	316.50
Finance-Ins. & R.E.	—	—	—	—	—	—	416.04	441.17	366.71

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 12/84	r/ 11/84	12/83	p/ 12/84	r/ 11/84	12/83	p/ 12/84	r/ 11/84	12/83
Mining	$23.44	$24.15	$22.88	54.1	50.9	46.0	$1268.10	$1229.24	$1052.48
Contract Construction	24.14	24.42	24.20	38.9	37.5	39.0	939.05	915.75	943.80
Manufacturing	15.03	14.58	14.91	29.9	33.4	32.9	449.40	486.97	490.54
Food & Kindred Products	9.71	9.09	8.60	20.1	28.9	21.6	195.17	262.70	185.76
Lumber & Paper Products	17.54	18.52	18.49	34.5	30.2	40.1	605.13	559.30	741.45
Trans. Comm. & Utilities	15.68	15.35	15.56	34.7	36.8	38.2	544.10	564.88	594.39
Trade	10.57	10.78	9.99	34.8	34.4	35.4	367.84	370.83	353.65
Wholesale	12.31	12.91	12.19	39.2	39.1	37.4	482.55	504.78	455.91
Retail	9.86	9.90	9.20	33.3	32.8	34.7	328.34	324.72	319.24
Finance-Ins. & R.E.	—	—	—	—	—	—	441.17	417.55	357.05

1 Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2 Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Annual Average Hourly Earnings for Major Industries
1972-1984

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Mining	7.50	7.31	8.69	12.28	13.41	15.09	15.05	17.64	18.49	20.10	21.94	23.40	23.33
Contract Construction	10.48	11.04	12.56	15.32	17.76	19.16	18.23	18.73	20.65	21.28	23.19	23.95	24.52
Manufacturing	5.92	5.97	7.10	8.09	7.82	9.12	8.86	9.14	10.22	11.42	11.74	12.33	12.25
Food & Kindred Products	4.55	4.44	5.32	5.45	5.40	6.17	6.25	6.52	7.60	8.45	8.39	8.38	8.30
Lumber & Paper Products	6.37	7.00	7.85	8.70	9.52	10.66	11.52	12.70	13.74	14.45	15.44	17.15	16.78
Trans. Comm. & Utilities 1/	—	—	—	—	—	—	11.42	12.52	12.83	14.14	14.98	15.79	15.62
Trade	4.96	5.02	5.85	7.03	7.18	7.70	7.68	8.15	8.86	9.49	9.70	10.02	10.55
Wholesale	6.15	6.21	6.99	8.44	8.64	8.69	8.78	9.62	10.53	11.61	11.46	11.72	12.64
Retail	4.53	4.68	5.46	6.43	6.54	7.23	7.26	7.58	8.21	8.64	8.94	9.32	9.67

1 Average hourly earnings and average weekly hours for transportation, communication, and utilities were not initiated until 1978.

One other point to consider is that data from an area may not be available at the same level of detail as is available in another area. Cost of food at home, for example, was available for the individual Alaskan communities, but the data for Seattle and Washington, D.C. are for the Western and Southern Regions of the U.S. as published by the U.S. Department of Agriculture. While no universal cost of living comparison is available for every city in Alaska and the U.S., many communities in both Alaska and the U.S. have a McDonald's restaurant. As such we have devised the "Big Mac Meal Index" for the purpose of comparing Alaskan communities to each other as well as to the locale closest to you (See Table VII).

The data presented below are not designed to provide a comprehensive cost of living or cost of doing business in Alaska, but they are useful in comparing these locales to a particular situation and therefore gather a reasonable idea of what costs would be incurred by locating in Alaska. This data combined with data from other sources can give the business person or individual a more comprehensive view of the Alaska economy. For the business person, the Alaska Department of Commerce and Economic Development's publication *Establishing A Business in Alaska* is highly recommended as a source of information ranging from taxation to labor law and financial assistance. The Alaska Department of Labor's *Alaska Planning Information* is a very useful source for labor market information such as income data and employment and unemployment by area. Also available are more detailed information and some of the source data for this article such as Cost of Food at home. For more detailed information or for information regarding the source of information in this article contact the Alaska Department of Labor, Research and Analysis Section.

(Tables begin on following page)

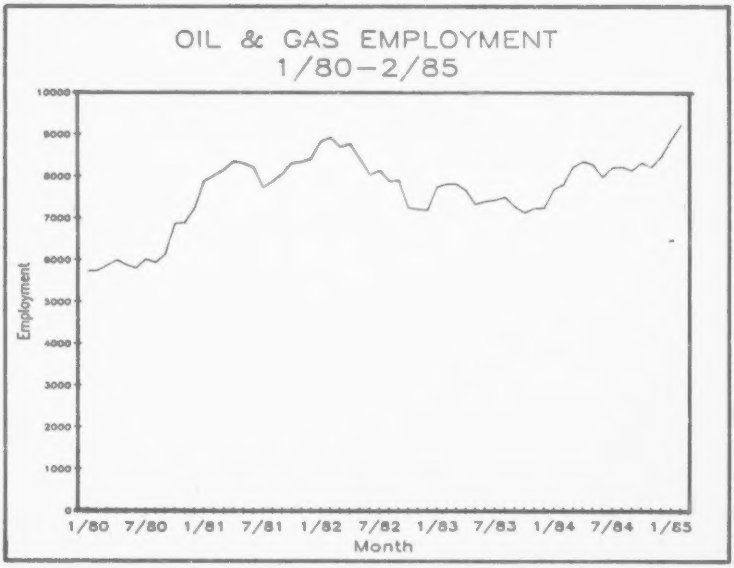
ALASKA

By Ed Eboch

Oil and Gas Employment

Oil and gas employment continues to be above forecast values as we begin the 1985 year. This rise in employment appears to conflict with reports of reduced activities and layoffs in the industry. Annual average oil and gas employment of 8,146 for 1984 is well above 1983's annual average of 7,444. The increase over the year ago numbers has grown larger as the year has progressed. The estimates for the first two months of 1985 exceed the previous all time high for oil and gas employment which occurred in February of 1982.

Interestingly, the increase in oil and gas employment is not supported by estimates of increased construction employment in the Northern Region of the state. The growth appears to be broad based with growth in both oil companies and oil field services organizations. Whether this increased level of employment will be sustained depends to some extent on movement of oil prices. Increased activities scheduled for the next two years are too far along to be affected by price changes but new exploration and development projects beyond that period will no doubt depend on the world oil prices.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/	R/			
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	218800	215500	206900	3300	11900
Mining.....................	9700	9400	8200	300	1500
Construction................	15000	14200	16200	800	-1200
Manufacturing..............	8000	6900	7000	1100	1000
Food & Kindred Prod.	3300	2400	2400	900	900
Lumber & Paper Prod.	1800	1600	1800	200	0
All Other Mfg.	2900	2900	2800	0	100
Trans. Comm. & Utilities.....	17800	18100	17600	-300	200
Trucking & Whseing.	2000	2200	1900	-200	100
Water Transportation	1000	1000	1000	0	0
Air Transportation	5700	5800	5700	-100	0
Other Trans. Comm. & Utilities	9100	9100	9000	0	100
Trade	43400	44000	40500	-600	2900
Wholesale	8400	8400	8100	0	300
Retail	35000	35600	32400	-600	2600
Gen. Mer. & Apparel	5000	5200	4500	-200	500
Food Stores	5700	5800	5200	-100	500
Eating & Drinking Places...	12700	12700	11300	0	1400
Other Retail Trade	11600	11900	11400	-300	200
Finance-Ins. & R.E.	12600	12500	11600	100	1000
Services & Misc.	43200	43100	41000	100	2200
Government	69100	67300	64800	1800	4300
Federal	18100	18000	17500	100	600
State	20100	19000	19100	1100	1000
Local	30900	30300	28200	600	2700

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes premilinary estimates.

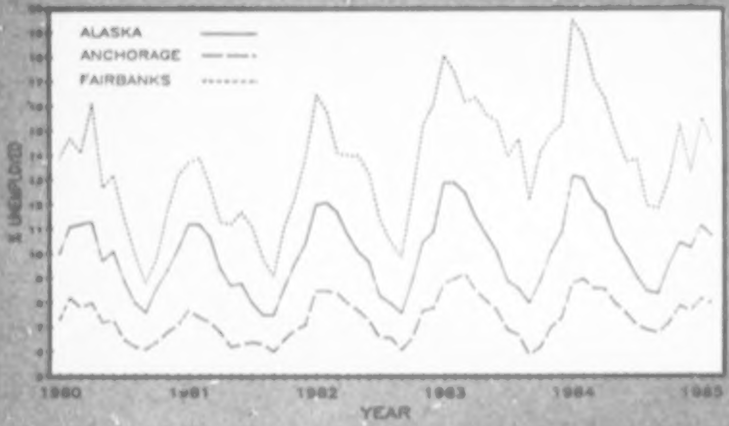
R/ Denotes revised estimates.

Employment and Unemployment

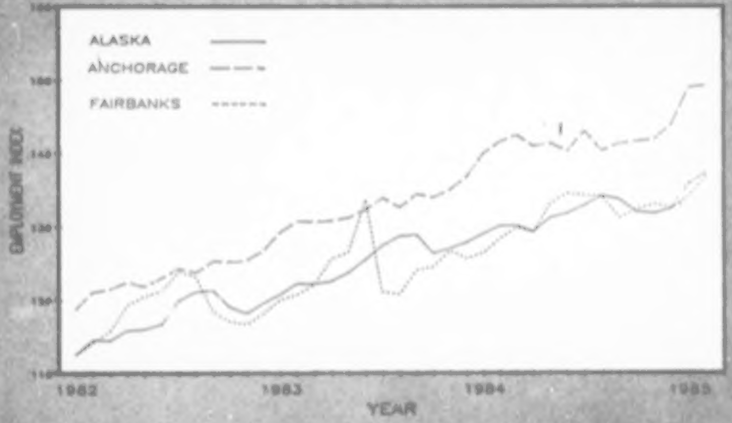
Year to year increases in statewide employment continue strong despite indication of overbuilding in construction and a slowdown in growth of state employment. Although construction employment is down from the previous year this decrease has been more than offset by sizable year to year gains in mining, food and kindred products and government employment.

The February unemployment rate has declined from the 1985 January rate and is considerably below the year ago rate. For the first time in several years the growth in jobs has begun to exceed the growth in the labor force, an indiction that in-migration may be slowing.

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1980 To Present



Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 To Present



source: Ak. Dept. of Labor

ANCHORAGE/MATSU

By Greg Huff

Anchorage Labor Turnover

The rate at which Anchorage workers move into and out of employment with respect to individual firms is high. From 1983 to 1984 labor turnover as measured by changes in employees joining or leaving a firm from one quarter to the following quarter, averaged 43% hires and 42% terminations. This means that for every 100 employees held by individual firms from one period to the next, 43 employees were hired and 42 employees were terminated or separated. The turnover rates in this article measure employee turnover from one quarter to the next quarter for the same firm and are presented in Table I by major industry group. (See footnote at end of table.)

A held employee is an employee who received pay during two consecutive quarters. A hired individual is one who did not receive wages any time during the previous quarter, but did receive pay the following quarter. Hired employees are all additions to a firm's payroll. They may be either permanent or temporary, new or rehired, and may be hired to replace a discharged, retired or deceased employee. A terminated or separated employee is paid during a quarter and the following quarter receives no pay because the employee quits, is laid off, discharged, retired or died. The data cannot differentiate between the causes of turnover or whether the separations are initiated by the employer or employee, but can only reveal crude labor turnover rates.

The major factor contributing to changes in labor turnover rates is industry expansion and contraction caused by cyclical business patterns or seasonal fluctuations. In prosperous times quit rates and new hires are high because of job availability, while in periods of economic slowdown high layoffs are coupled with low quit rates and low hire ratios. Turnover rates are also influenced by the age, length of service, occupation, and pay of the worker. Studies show that most turnovers occur during the beginning stages of an employee's job life. The longer an employee is with a firm, the more likely he will stay with the firm. "White collar" occupations generally have lower turnover rates than clerical or "blue collar" jobs. Also the higher the pay the greater the likelihood an employee will stay with a firm.

The industry in Anchorage with the highest turnover rate is construction followed by manufacturing and retail trade. The construction industry on an annual basis averaged a hire rate of 94% and a separation rate of 90%. The nature of the construction industry lends itself to these high rates. Firms are constantly adjusting their employment levels to the amount of building activity. Seasonal fluctuations cause extreme changes in the hire and termination rates. During the spring and summer hire rates outpace separation rates by 40 percentage points and by the 3rd to 4th quarters, terminations outpace hires by 2 to 1.

Manufacturing turnover also exhibits radical seasonal swings. During the peak fishing season, processing plants hire two times more employees than are separated. During the summer season, the hire rate for the seafood processing industry exceeds 180% while the separation rate is 76%. During the off season their ratios change to 35% hire and to 560% termination rates. The printing and publishing sector has the lowest turnover rate in the manufacturing industry. The hire rate ranges from 30% to 47% and termination rates from 38% to 43% during the course of the year.

The highest turnover rates within the retail trade industry exist in the eating and drinking establishments where there is a high concentration of young workers and entry level jobs. These variables generate higher turnover rates for firms. The annual turnover rates for eating and drinking establishments from 1983 and 1984 were 84% and 82% for hires and terminations, respectively. The lowest turnover in retail trade was in the large department stores sector where there is a higher concentration of permanent professionals and sales personnel. Their annual hire rate averaged 30% and the separation rate, averaged 28%. The most notable seasonal trend in retail trade is the increase in terminations after the Christmas and New Year holiday season.

The services industry group turnover rate has an annual average equal to the overall industry turnover rate and the services industry demonstrated only moderate seasonal fluctuations. The lowest turnover rates are in the health, legal and private educational service areas and the highest rates are in automotive repair, garages and amusement and recreation. Here the differences in occupational mix contributes to the variation in these turnover rates.

The lowest turnover rates in Anchorage are in the mining industry followed by transportation, communications and utilities, and finance-insurance and real estate industries. The lowest and most stable rates within the mining industry are in the oil and gas producing companies and are highest in the oil field services and drilling sectors. The major oil companies have large permanent staffs, including many professional management and technical personnel whose turnover rates tend to be lower than other occupational groups. The greater than average wages in the mining industry also contribute to the lower rates. Personnel working for the drilling and services companies are more susceptible to contract and seasonal layoffs than personnel of the oil producing companies.

The turnover rates among the transportation, communications and utilities industries are lowest in the pipeline, telephone and electric companies where the stable work force is reflected by the low hire and

Table I
Comparative Business Costs by Area

Except as noted, all amounts are in dollars.

	Anchorage	Fairbanks	Juneau	Seattle	Wash., D.C.	Virginia	Baltimore
Auto Rental Rates	45-50	50-55	48-50	47-50	56-58		
Hotel and Motel Room Rental Rates							
Winter	60-115	50-80	45-60	40-90	40-100		
Summer	70-125	60-80	50-70	40-90	40-100		
Office Rental Rates							
Per Square Foot	.90-2.15	.80-1.80	1.25-1.65	.30-1.00	9.00-20.00		
Heavy Equipment Rental Rates 1/							
Bulldozer	2000-3000	1150-2500	1150-2500	1400-2200	1900-2500		
Backhoe	3000-5000	1000-1500	1000-1500	2000-2500	1200-3500		
Wheel Loader	2000-3000	1500-2500	1500-2500	1500-2000	1500-3000		
Residential Marginal Electric Rates (¢/KWH)							
Winter	5.149	9.5	5.12	5.461		3.319	3.780
Summer	5.149	9.5	4.08	5.201		5.683	6.090
Commercial Marginal Electric Rates (¢/KWH)							
Winter	2.897	9.9(< 15,000) 7.58(> 15,000)	3.97	4.497(< 20,000) 3.485(> 20,000)		5.921(< 3,000) 3.741(> 3,000)	5.342(< 24,500) 3.047(> 24,500)
Summer	2.897	9.9(< 15,000) 7.58(> 15,000)	3.97	4.497(< 20,000) 3.485(> 20,000)		5.921(< 3,000) 3.895(> 3,000)	7.635(< 24,500) 3.047(> 24,500)
Office Machinery Purchase Price 2/							
Typewriter	900-1000	900-1000	900-1000	800-950	850-950		
Copy Machine	1600-2000	1600-2000	1600-2000	900-1600	1200-1800		
Calculator	100-200	100-200	100-200	100-175	140-180		
Commercial Telephone Rates (Per Line, Per Month)	23.85	24.90	28.09	35.84	18.55		

Water (Per 1000 Gal.)	1.72	2.25	13.00/1st 4000 1.50/add'l 1000	1.81	1.96
Sewer	6.00≤ 5 Empl. 25.35 6≤Empl.<25 146.75≥26 Emp.	3.03/ 1000 gal	21.00/Mo.	Included with Water	Included with Water

1/ Prices will vary depending on the size of equipment and whether an operator and gasoline are provided. Prices are based on the approximate equivalent of a Caterpillar D-6 bulldozer, a 225 Caterpillar backhoe, and a wheel loader with a three yard bucket.

2/ Prices are based on a) a standard electronic, desktop typewriter, b) a standard tabletop-copy machine with no special features, and c) standard 10-key calculator, 4 function, percent key, 4 key memory, a fluorescent display, and a tape printer.

Table II
Freight Shipping Costs 1/

Destination		Cost of Air Freight 2/		Cost of Barge 3/	Cost of Personal Goods by Barge 4/
From	To	Rate (¢/Pound)	Tax (In Dollars) 2/	Rate ($/100 Pounds)	Rate ($/100 Pounds)
Juneau, AK	Seattle, WA	16-22	12.50-17.50	9.00-13.00	12.00-13.00
Seattle, WA	Juneau, AK	25	19.00	9.00-13.00	15.50-16.00
Anchorage, AK	Seattle, WA	20-24	11.00	17.00-22.00	15.00-18.00
Seattle, WA	Anchorage, AK	30	16.00	17.00-22.00	15.00-18.00
Anchorage, AK	Washington, D.C.	45	31.50	—	—
Washington, D.C.	Anchorage, AK	48	34.50	—	—

1/ Freight prices are determinant on a multitude of factors and could vary widely.

2/ Based on 5,000 pounds of a representative wholesale good. Tax is a percentage and will vary dependent on cost, and distance shipped.

3/ Based on 5,000 pounds of heavy equipment.

4/ Based on 5,000 pounds of personal, household goods.

Table III
Personal Air Fares
One Person-Round Trip Coach 1/

From	To	Cost
Anchorage, AK	Washington, D.C.	$1292.34
Anchorage, AK	Seattle, WA	649.74
Juneau, AK	Seattle, WA	476.92

1/ As of end of February 1985.

Table IV
Wage Rates in Selected Occupations 1/

	Anchorage-Mat-Su 1/	Interior Region 1/	Southeast Region 2/	Seattle-Everett 3/	Washington, D.C. SMSA 4/
Drafters	7.00-16.00	8.00-12.50	6.92-12.00	10.20-12.15	8.75-9.38
Computer Programmers	8.66-13.33	11.00-16.83	11.54-13.00	9.12-10.98	9.95-13.65
Systems Analysts	12.88-15.87	15.00-25.00	17.31	12.45-15.50	12.00-15.80
Janitors and Maids	4.00-13.36	4.00-7.36	4.60-12.10	5.73-7.55	3.70-4.50
Carpenters	8.00-25.88	10.00-26.41	12.50-23.95	11.91-14.32	7.00-7.50
Electricians	13.00-24.15	24.77	10.00-21.67	11.93-14.94	8.00-9.00
Automobile Mechanics	10.00-20.00	9.37-20.00	8.50-22.11	12.50-14.94	11.90-14.08
Truck Drivers, Heavy or Tractor Trailer	7.50-22.91	11.63-22.91	10.44-20.96	12.43-14.39	10.00-13.44
Bookkeeping, Accounting, and Auditing Clerks	5.00-11.75	5.75-22.00	5.00-16.06	6.12-8.38	6.37-6.88
Computer Operators	6.20-10.90	8.00-10.00	8.34-10.96	8.15-11.10	7.50-8.13
Data Entry Keyers	6.35 12.28	7.09-10.83	6.50-9.81	5.62-7.95	5.33-6.98
File Clerks	5.00-9.28	5.64-7.21	5.00-8.65	4.33-5.28	4.38-4.63
Receptionists	5.00-10.96	5.19-10.00	5.00-12.00	5.17-7.50	5.50-6.98
Secretaries	6.25-11.69	6.00-11.06	5.25-14.45	8.35-11.63	7.68-9.65
Switchboard Operators	5.00-9.22	5.38-9.11	5.77-8.65	5.83-7.95	5.50-7.00
Typists	5.48-16.60	6.50-9.50	5.48-13.24	5.70-9.38	5.70-7.75
Payroll-Timekeeping Clerks	9.73-10.50	8.00-.50	6.50-10.09	6.00-8.43	6.88-7.38

1/ Wage rates for Alaska are entry level wages while wage rates for Seattle-Everett and Washington, D.C. are average wage rates.

2/ Source: Alaska Department of Labor, Research and Analysis, *Wage Rates for Selected Occupations 1984.*

3/ Source: U.S. Department of Labor, Bureau of Labor Statistics, *Area Wage Survey 1984.*

4/ Source: Virginia Employment Commission, Virginia Occupational Information Coordinating Committee, *Virginia Occupational Demand, Supply and Wage Information.*

Table V
Comparative Living Costs by Area

	Anchorage	Fairbanks	Juneau	Seattle	Wash., D.C.
Cost of food for a week (2 adults; 1 male child 13, 1 female child 8) 2/	$84.96	$90.26	$92.59	$83.10	$77.30
Housing					
Home purchase price 3/ (3 br., 2 ba., fr, 2000 sq. ft.)	147,000	159,000	155,000	110,000	135,000
Rental of similar unit	1,200	1,200	1,200	550-750	675-1200
2 Bedroom Apt. rental 4/	600-800	600-800	650-800	400-600	450-750
$110,000 Homeowner Insurance Premium 5/					
Low Risk	350-570	375-550	300-475	230-325 13/	475-500
High Risk	800-1150	750-1250	625-1075	450-600 13/	•
55 gal. htg. oil (diesel #2 or equivalent) 6/	65-75	65-75	65-75	65-75	65-75
Utilities 7/					
Water & Sewer (1000 cu. ft.)	28.30	39.60	38.00	14.50	15.70
Residential rate 1000kw	60.47	104.91	117.05	28-58	45-60
Garbage collection	10-12	10.00	19.18	11.95	N/A 1/
Telephone res. private line	9-15	11-18	13-25	13.59	6.50-14.00
Transportation					
Auto insurance premium (1983 Chevy Cavalier or equivalent) 5/	500-1075	475-1100	400-650	325-500	•
Gasoline (1 gallon, regular) 8/	1.09	1.37	1.44	•	•
Daycare 9/					
1 month/1 preschool toddler	353	358	375	197-323	197-323
Property Tax Millage Rates 1984 10/					
City Proper	9.91	8.8	8.92	10.63	12.20-21.30
Rate of surrounding service areas	4.89-10.10	7.0-17.0	8.54-10.68	9.00-13.00	•
Local Sales Tax	0%	0%	4%	6.5%	6.0%
1981 Urban Family Budget Consumption adjusted by Local CPI-U					
Higher	34091	•	•	29472	29819
Intermediate	25868	•	•	21784	21798
Low	19689	•	•	15368	14684

Medical Costs 11/					
Hospital Semi-Private Room Rate	257.63	276.50	•	216.20	280.41
Average Cost to Hospital per Day 1981 (by state)	453.00	453.00	453.00	315.00	430.60
Average Cost to Hospital per Stay 1981 (by state)	2627.40	2627.40	2627.40	1795.50	3703.20
Dental Charges 12/ (by state)					
Initial Oral Exam	27	27	27	•	12
Prophylaxis-Adult	50	50	50	•	21
Permanent Amalgem Filling-Adult	67	67	67	•	32
Composite Resin Filling Two Surfaces	74	74	74	•	34
Porcelain Crown with Gold	431	431	431	•	336

• Not available or not applicable

Footnotes for Table V

1/ Paid Via Homeowner Taxes

2/ Cost of food at home for a week on a low cost food plan for 2 adults aged 20-50; 1 male child age 13, 1 female child age 8. Alaskan communities are from University of Alaska Cooperative Extension Service "Cost of Food at Home for a Week" December 1984. Seattle and Washington, D.C. are Northwest and Southern U.S. regional estimates from the U.S. Department of Agriculture for January 1985.

3/ Coldwell Banker Nationwide Relocation Service, January 1984.

4/ From classified ads of community's newspaper.

5/ From Alaska Department of Commerce and Economic Development, Division of Insurance. Washington: Insurance Services Office, 1984; Washington, D.C.-District of Columbia Insurance Division.

6/ Alaska observations: Energy Assistance Program, Department of Health and Social Services.

7/ Phone survey of respective utility for some.

8/ Alaska observations from "Cost of Food at Home for a Week".

9/ Alaska observations, child care coordinater, Alaska Department of Community and Regional Affairs, Community Development and Child Care Programs. National Observation: Child Care Action News, January-February 1985.

(Footnotes continued next page)

Footnotes for Table V

10/ Phone survey of revenue offices for the locale.

11/ Source Book of Health Insurance 1982-1983. Health Insurance Association of America.

12/ Washington, D.C. observations are for 1982 from Source Book of Health Insurance. Alaska Data is for 1984 from Health Insurance Association of America, unpublished data.

Table VI
Income Data by Area

	Anchorage	Fairbanks	Juneau	Seattle	Wash., D.C.
Estimated 1983 Median Income of Four Person Families (by state) 1/	38,238	38,238	38,238	30,185	28,701
1983 Per Capita Personal Income (by state) 2/	17,194	17,194	17,194	12,177	15,744
1982 Per Capita Income by County and Census Division 1/	18,429	18,381	19,889	13,239	15,064

1/ U.S. Department of Commerce, Bureau of the Census.
2/ U.S. Department of Commerce, Bureau of Economic Analysis.

Table VII
The Cost of a "Big Mac" Meal by Location
Alaska, Seattle and Washington D.C.

	Anchorage	Eagle River	Fairbanks	Juneau	Kodiak	Mat-Su Valley	Soldotna	Seattle	Wash., D.C.
Big Mac	$1.55	$1.55	$1.65	$1.75	$1.75	$1.55	$1.75	$1.30-$1.39	$1.43-$1.47
Large Fries	.80	.80	.85	.90	.90	.80	.85	.65-.75	.80-.85
Medium Drink	.75	.75	.70	.70	.75	.75	.70	.50-.60	.50-.56
Total Meal	$3.10	$3.10	$3.20	$3.35	$3.40	$3.10	$3.30	$2.49-$2.74 1/	$2.73-$2.88 1/

1/ The total cost is per location and may not equal the sum of the cost for the high and low cost per item.

LABOR FORCE BY REGION AND CENSUS AREA

	Labor Force			Unemployment			Rate			Employment		
	P/ 2/85	R/ 1/85	2/84	P/ 2/85	R/ 1/85	2/84	P/ 2/85	R/ 1/85	2/84	P/ 2/85	R/ 1/85	2/84
Alaska Statewide	246182	240434	230987	26593	26864	28456	10.8	11.2	12.3	219589	213570	202531
Anchorage-Matsu Region	134422	132421	123954	12253	12295	11538	9.1	9.3	9.3	122169	120126	112416
Anchorage Borough	119731	117916	110642	9589	9616	9293	8.0	8.2	8.4	110142	108300	101349
Mat-Su Borough	14691	14505	13312	2664	2679	2245	18.1	18.5	16.9	12027	11826	11067
Gulf Coast Region	24717	23754	23458	3568	3371	4241	14.4	14.2	18.1	21149	20383	19217
Kenai Peninsula Borough	15442	14821	14566	2536	2382	2839	16.4	16.1	19.5	12906	12439	11727
Kodiak Island Borough	5509	5319	5237	513	504	698	9.3	9.5	13.3	4996	4815	4539
Valdez-Cordova	3766	3614	3655	519	485	704	13.8	13.4	19.3	3247	3129	2951
Interior Region	36631	35420	34589	5238	5361	5663	14.3	15.1	16.4	31393	30059	28926
Fairbanks North Star Borough	29707	28787	27924	4344	4502	4554	14.6	15.6	16.3	25363	24285	23370
Southeast Fairbanks	2925	2828	2764	371	382	410	12.7	13.5	14.8	2554	2446	2354
Yukon-Koyukuk	3999	3805	3901	523	477	699	13.1	12.5	17.9	3476	3328	3202
Northern Region	8097	7730	8267	627	682	1135	7.7	8.8	13.7	7470	7048	7132
Kobuk	2542	2429	2609	198	217	371	7.8	8.9	14.2	2344	2212	2238
Nome	3447	3296	3487	320	346	502	9.3	10.5	14.4	3127	2950	2985
North Slope Borough	2108	2005	2171	109	119	262	5.2	5.9	12.1	1999	1886	1909
Southeast Region	31599	31010	30803	4096	4314	4743	13.0	13.9	15.4	27503	26696	26060
Haines Borough	1043	1060	1001	177	219	180	17.0	20.7	18.0	866	841	821
Juneau Borough	11851	11577	11364	1205	1244	1277	10.2	10.7	11.2	10646	10333	10087
Ketchikan Gateway Borough	6770	6660	6683	937	998	1156	13.8	15.0	17.3	5833	5662	5527
Prince of Wales-Outer Ketchikan	2354	2357	2306	372	433	428	15.8	18.4	18.6	1982	1924	1878
Sitka Borough	3897	3829	3787	385	420	459	9.9	11.0	12.1	3512	3409	3328
Skagway-Yakutat-Angoon	2090	2033	1973	447	438	416	21.4	21.5	21.1	1643	1595	1557
Wrangell-Petersburg	3594	3494	3689	573	562	827	15.9	16.1	22.4	3021	2932	2862
Southwest Region	10716	10099	9916	811	841	1136	7.6	8.3	11.5	9905	9258	8780
Aleutian Islands	2546	2398	2324	64	78	124	2.5	3.3	5.3	2482	2320	2200
Bethel	4198	3935	3895	371	358	503	8.8	9.1	12.9	3827	3577	3392
Bristol Bay Borough	433	419	394	44	55	49	10.2	13.1	12.4	389	364	345
Dillingham	1808	1726	1664	166	191	209	9.2	11.1	12.6	1642	1535	1455
Wade Hampton	1731	1621	1639	166	159	251	9.6	9.8	15.3	1565	1462	1388

P/=Preliminary   1984 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/	R/			
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	111350	111200	105250	150	6100
Mining	4150	4150	3650	0	500
Construction	7600	7850	7900	-250	-300
Manufacturing	2300	2150	2100	150	200
Food & Kindred Prod.	350	250	300	100	50
Other Mfg.	1950	1900	1800	50	150
Trans. Comm. & Utilities	8650	8700	8550	-50	100
Trucking & Whseing.	1150	1200	1050	-50	100
Water Transportation	350	350	250	0	100
Air Transportation	3350	3300	3500	50	-150
Other Trans. Comm. & Utilities	3800	3850	3750	-50	50
Trade	27350	27700	25250	-350	2100
Wholesale	6500	6550	6200	-50	300
Retail	20850	21150	19050	-300	1800
Gen. Merchandise	1550	1700	1550	-150	0
Food Stores	3100	3100	2550	0	550
Eating & Drinking Places	8300	8200	7400	100	900
Other Retail Trade	7900	8150	7550	-250	350
Finance-Ins. & R.E.	8650	8650	8100	0	550
Services & Misc.	26300	26250	24550	50	1750
Government	26350	25750	25150	600	1200
Federal	10100	10050	9900	50	200
State	6950	6500	6650	450	300
Local	9300	9200	8600	100	700

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE/MAT-SU

				CHANGES FROM:	
	P/	R/			
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	118200	118100	110700	100	7500
Mining	4150	4150	3650	0	500
Construction	8200	8500	8550	-300	-350
Manufacturing	2350	2300	2200	50	150
Trans. Comm. & Utilities	9300	9300	9100	0	200
Trade	29050	29400	26550	-350	2500
Finance-Ins. & R.E.	9250	9250	8150	0	1100
Services & Misc.	27600	27550	25450	50	2150
Government	28300	27650	27050	650	1250

separation rates which range from 1% to 12% during the year. The trucking, warehouse and transportation services businesses, because of the nature of their activities, are influenced more by seasonal fluctuations and are in a highly competitive market environment.

The banks and credit unions have turnover rates which average 3 percentage points below the industry average and 30 percentage points below overall turnover rates. This rate obscures the variations between occupations. Some occupations have very high turnover such as tellers while the professional occupations are more stable. The real estate sector has above average turnover rates and is more sensitive to seasonal fluctuations than other industries in the financial sector.

A direct comparison between Anchorage and the U.S. turnover ratios is not possible, but past studies and statistics show that Alaska's turnover rates are generally greater than the lower 48 turnover rates. This is due to the younger work force, the extreme flux of workers into and out of Alaska, and Alaska's wide swings in seasonal economic activities. A comparison between Anchorage and Alaska's labor turnover rates shows a difference in seasonal fluctuations. Alaska's hire and termination rates fluctuate more drastically than the Anchorage rates.

FAIRBANKS/INTERIOR

By Neal Fried

Employment in the Doyon Region

The Department of Labor now has the capacity to produce a variety of employment statistics for the Doyon region. The figures discussed below are Department of Labor figures and do not represent Doyon Limited Regional Corporation's activity. The boundaries used are identical with the corporation's boundaries, with one exception, a slight overlap on the southeast border. This should not affect the figures because little or no employment activity exists in this area.

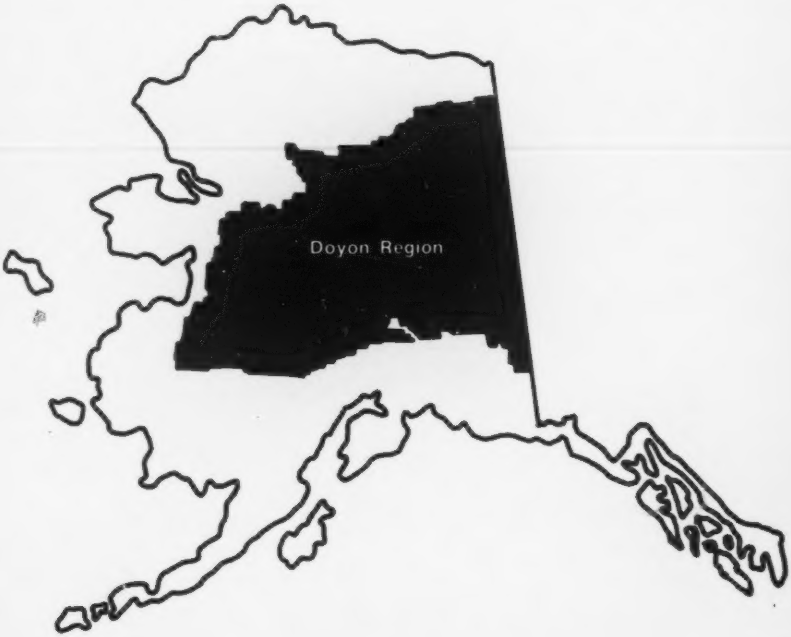
Two sets of employment numbers will be discussed. One set includes all communities in the Doyon region including the Fairbanks North Star Borough and the other excludes the Fairbanks North Star Borough. This has been done to shed additional light on the rural areas of the Doyon region. The rural area's experience has been very different from the urban area's experience and this distinction would be lost if Fairbanks were included. The Fairbanks North Star Borough represents 87% of the employment in the region, and would mask the activity taking place elsewhere in the region.

Within the Doyon region's boundaries are 50 different communities. The largest community is Fairbanks North Star Borough with a population of 69,633 (1984) quarters of the communities in the region have populations of less than 500. The larger communities in the region include Fort Yukon, Delta, Fairbanks, Galena, Nenana, and Anderson. The region does not represent one distinct economic unit and therefore all communities within the region are not exposed to identical economic stimuli. Their economic activity may rely on tourism and other roadside activity, mining, shipping, subsistence, or a combination thereof. A majority are heavily dependent on government for wage and salary employment.

The rural region's share of employment growth over the past 4 years has lagged behind that of Fairbanks' and the State's. Wage and salary employment in the rural region grew by 18% compared to 31% in Fairbanks and 32% statewide. With a region made up of small widely dispersed communities, it is not unexpected that their growth has been slower than the more urban areas of the state. Most of the growth which has taken place during this period can find its origins in increased state expenditures and to a lesser extent tourism.

The rural region has benefitted from increased state expenditures in the form of permanent fund checks, increased local and state government employment, grants, loan programs, and capital projects. One big difference between rural and urban areas occurs when these funds are spent. When the rural dollars are spent in the rural area, these dollars flow quickly out of the communities for a variety of goods and services. The larger urban areas such as Fairbanks can provide many of these goods, services, and labor locally which in turn creates additional employment. The urban area's economy also receives the additional benefits from expenditures of the rural dollars. This is one explanation why employment in Fairbanks has grown more rapidly than the rest of the Interior.

Government remains the overwhelming employment mainstay in the rural region. More than half (56%) of the wage and salary work force is employed by one of the three levels of government (see table below). Local government is responsible for 31% of total employment making it the single largest employer. The lion's share of these employees are local school district employees. The federal government's presence is also significant. A major portion of federal government can be found on the military installations at Galena, Anderson and Delta. Denali National Park provides an additional concentration of federal employment. All levels of government in the rural region have grown during the past four years. Local government has led the way, up 31% over the past four years. This reliance on government is an important factor when assessing the area employment prospect in the light of federal budget deficits and falling state oil revenues.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/	R/		CHANGES FROM:	
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	26900	26150	25300	750	1600
Mining	200	200	100	0	100
Construction	2250	1900	2050	350	200
Manufacturing	450	450	450	0	0
Trans. Comm. & Utilities	2800	2650	2600	150	200
Trucking & Whseing.	500	450	350	50	150
Air Transportation	800	700	700	100	100
Other Trans. Comm. & Utilities	1500	1500	1550	0	-50
Trade	5500	5550	5100	-50	400
Wholesale	1050	1050	950	0	100
Retail	4450	4500	4150	-50	300
Gen. Mer. & Apparel	500	550	500	-50	0
Food Stores	750	750	700	0	50
Other Retail Trade	3200	3200	2950	0	250
Finance-Ins. & R.E.	900	900	900	0	0
Services & Misc.	5150	5200	4950	-50	200
Government	9650	9300	9150	350	500
Federal	2700	2700	2550	0	150
State	4150	3850	3900	300	250
Local	2800	2750	2700	50	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	30950	30000	29050	950	1900
Mining	300	300	200	0	100
Construction	2350	2050	2100	300	250
Manufacturing	500	450	450	50	50
Trans. Comm. & Utilities	3400	3300	3250	100	150
Trade	5950	5950	5500	0	450
Finance-Ins. & R.E.	1000	950	950	50	50
Services & Misc.	5450	5400	5150	50	300
Government	12000	11600	11450	400	550

The region's secondary sector (trade, services and finance, insurance and real estate) has grown by 23% over the past four years. Trade, in particular, has made gains, climbing by 45%. However, this sector in the rural region still remains small and underdeveloped. It represents approximately 10% of the employment, in the rural areas compared to 20% for the entire region. The size of the rural economies and their scattered nature has precluded any major expansion of this sector's share of the economy.

The entire region's unemployment picture has not changed a great deal in spite of growth in employment. The unemployment figures remained in the double digit range during the entire course of the year. In 1984 the rate for the region was 13.3%, with a high of 16.9% in January and a low of 10% in September. These figures provide only a partial picture of the unemployment situation. In many of the rural areas of the region where employment is extremely scarce, much of the working age population may not be seeking work because they know that none is available. To be considered unemployed a person must be actively seeking work. Therefore, the full unemployment picture is not captured in these figures.

GULF COAST

By Neal Fried

Copper River Employment Picture

The Copper River area includes 12 communities varying in size from 30 to 500. The communities included in the Copper River area are: Chistochina, Chitina, Copper Center, Gakona, Glennallen, Gulkana, Lower Tonsina, Mentasta Lake, Paxson, Slana, Tazlina and Tonsina. Eight of the communities have populations of less than 100. The total population of the area when last counted (1980) was 2,721. Most of these communities are strung out along the Richardson and Edgerton Highways and the Tok Cut-Off.

There has always been a dearth of economic indicators for this area. None of the communities in the Copper River area are incorporated, therefore no population estimates are produced for these communities during non-census years. In the past, data produced once every 10 years was largely all that existed for the area. The Department of Labor now has the capability to produce wage and salary employment numbers for the Copper River area in monthly, quarterly and annual formats. This information will provide insight into the workings of the area's economy. These numbers will also make it possible to track the area's economy over time. It is important to remember these statistics do not include all forms of employment. Self-employment is not included and neither is subsistence activity.

The most notable feature of the figures in the table is the lack of growth in employment. As state wage and salary employment has increased by 32% over the past four years, employment in the Copper River labor market area has remained relatively flat. There has been no new major economic activity in the area since the construction of the Trans-Alaska Pipeline and the area apparently has not benefitted from the state largess to the degree other communities have. The small, dispersed population base of Copper River also makes it more difficult for the area to capture dollars spent in these communities.

Most of the area's industries have been relatively stable over the past four years. Trade is the only industry which has moved ahead with any vigor. This may be a result of increased highway traffic and growth in population. The number of new residents and tourists entering the State via the highway has climbed dramatically since 1980. A large share of the employment in the area is strictly seasonal. Over the course of a year, the highest quarter for employment can be as much as 23% above that of the lowest quarter. This comes as a result of the area's heavy dependence on seasonal activity such as construction, highway repair, tourism, highway traffic, and fishing. The seasonality of the area's economy, along with the

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	18250	17850	16800	400	1450
Mining	800	750	650	50	150
Construction	1300	1300	1200	0	100
Manufacturing	1900	1850	1600	50	300
Food & Kindred Prod.	1250	1200	1000	50	250
All Other Mfg.	650	650	600	0	50
Trans. Comm. & Utilities	2100	2100	2100	0	0
Trade	3100	3050	2800	50	300
Wholesale	400	400	350	0	50
Retail	2700	2650	2450	50	250
Finance-Ins. & R.E.	650	600	600	50	50
Services & Misc.	3000	2900	2650	100	350
Government	5400	5300	5200	100	200
Federal	500	500	500	0	0
State	1550	1450	1500	100	50
Local	3350	3350	3200	0	150

snail-paced growth in new job opportunities has meant the job market in the area is highly competitive. All employment opportunities are extremely scarce. This problem plagues much of rural Alaska and the Copper Center area is no exception.

SOUTHEAST ALASKA

By John Boucher

Southeast Alaska's nonagricultural wage and salary employment increased in February by 300 jobs, an increase of slightly more than 1% during the month. This was the first month to month increase in total Southeast employment since October, a sign that the economy has begun its mid-winter turnaround.

Several factors contributed to the growth in employment. First of all construction was down approximately 100 jobs from January as compared to dropping an average of about 300 jobs a month during the past four months. Other than construction the only sector of the economy which lost jobs during the month was retail trade, as the last of the peak holiday season employees were let go.

On the up side, manufacturing employment in the region appears to have rebounded. Increased logging activity and also a slight surge in seafood processing employment were bright spots in the region. Government employment, particularly the state and local sectors were also up during the month as school districts and University of Alaska employees who had the holidays off were called back to work.

Southeast Unemployment

After being below 1983 rates for much of the first half of the year, the unemployment rate in Southeast Alaska took a turn for the worse and ended 1984 with an annual average three tenths of a percentage point higher than the 1983 annual average. This makes the fourth year in a row that Southeast Alaska unemployment has worsened. One bright spot to consider is that the unemployment increase this year was the smallest since 1980. The Ketchikan Gateway Borough had the years sharpest increase in unemployment, climbing 3.1 percentage points from 1983's annual average. The Skagway-Yakutat-Angoon census area had the best improvement over the year dropping 5.2 percentage points in 1984. The increase in Ketchikan is attributable to the continuing problems of the lumber and paper products sector while the drop in Skagway-Yakutat-Angoon was caused by relocation of workers to greener pastures which resulted in a smaller total labor force.

Table I
Labor Turnover Rates 1/
Anchorage
1983-1984

(All values expressed in percentages)

	1Q to 2Q 1983		2Q to 3Q 1983		3Q to 4Q 1983		4Q 1983 to 1Q 1984		1983 Average	
	Hire	Term.	Hire	Term.	Hire	Term.	Hire	Term.	Hire	Term.
Total	49	32	49	39	37	51	35	48	43	42
Mining	17	24	18	22	12	18	27	16	19	20
Construction	144	64	106	63	62	97	64	136	94	90
Manufacturing	77	36	67	45	34	111	37	46	61	60
Transportation	25	14	19	15	18	26	14	25	19	20
Wholesale Trade	28	19	29	24	23	30	25	27	26	25
Retail Trade	62	45	68	54	51	64	47	66	57	57
Finance-Ins. & Real Estate	36	23	27	22	28	31	21	21	28	24
Services	35	27	40	36	33	42	32	33	35	35

1 Some caution should be used in interpreting crude turnover rates. For example a separation rate of 100% could indicate the following:

1) The entire labor force had turned over during the period.
2) Half the labor force had turned over twice, the other half remaining stable.
3) A quarter had turned over four times and so on.

The crude separation rates cannot indicate which of these different situations exist. For example, if every one in the firms labor force leaves during a year there will be few experienced employees in the firm, on the other hand, if the turnover is concentrated in one quarter of the positions 75% of the firm's employees will be experienced.

Rural Doyon Region
Nonagricultural Wage and Salary Employment 1/
1980-1984

	Annual Average				Nine Month Average 1/	
	1980	1981	1982	1983	1983	1984
Nonag. Wage & Salary	3518	3610	3928	4017	4032	4162
Mining	140	147	143	136	146	107
Construction	66	51	66	93	82	120
Manufacturing	29	34	22	22	22	25
Trans., Comm. & Utilities	806	833	842	783	804	745
Trade	297	333	397	417	422	431
Wholesale	20	28	38	38	39	41
Retail	277	305	359	379	383	390
Finance-Ins. & Real Estate	52	57	54	63	61	65
Services and Misc.	310	340	288	305	319	329
Government	1819	1815	2116	2199	2172	2340
Federal	641	620	711	696	705	728
State	266	268	289	307	302	339
Local	912	927	1116	1196	1165	1273

1/ Subtotals may not add due to rounding.

Doyon Region
Nonagricultural Wage and Salary Employment 2/
1980-1984

	Annual Average				Nine Month Average 2/	
	1980	1981	1982	1983	1983	1984
Nonag. Wage & Salary	24303	26311	28582	29908	29846	31707
Mining	187	422	402	400	464	275
Construction	1646	1884	2252	2655	2630	3098
Manufacturing	608	500	486	558	552	556
Trans., Comm. & Utilities	3422	3618	3745	3641	3701	3643
Trade	4188	4802	5235	5645	5637	6229
Wholesale	701	823	902	948	927	1070
Retail	3487	3979	4333	4697	4710	5159
Finance-Ins. & Real Estate	726	817	925	969	967	1003
Services and Misc.	4328	4760	5170	5247	5234	5578
Government	9198	9506	10367	10794	10641	11325
Federal	2945	2974	3181	3265	3286	3461
State	3439	3619	3851	4060	4021	4058
Local	2814	2913	3335	3469	3334	3806

2/ Subtotals may not add due to rounding.

Copper Center Region
Nonagricultural Wage and Salary Employment
1980-1984

	Annual Average				Nine Month Average	
	1980	1981	1982	1983	1983	1984
Nonag. Wage & Salary	669	699	667	648	662	701
Mining	•	•	•	•	•	•
Construction	59	73	60	68	71	47
Trans., Comm. & Utilities	37	41	50	56	59	50
Trade	74	88	95	91	93	119
Wholesale	22	29	30	31	31	35
Retail	52	59	65	60	62	84
Finance.-Ins. & Real Estate	•	•	•	•	•	•
Services and Misc.	213	184	166	156	165	192
Government	233	247	250	238	238	252
Federal	15	12	10	14	14	32
State	120	129	124	120	122	127
Local	98	106	116	104	102	93

• Nondisclosable.

Table I
Annual Average Unemployment Rates
by 1980 Census Areas

Census Area	1980	1981	1982	1983	1984
Southeast Region	9.0%	10.7%	11.4%	12.3%	12.6%
Haines Borough	13.9%	13.1%	14.3%	16.2%	13.3%
Juneau Borough	7.2%	7.4%	8.3%	9.3%	9.9%
Ketchikan Borough	9.1%	12.2%	12.3%	12.0%	15.1%
Prince of Wales/Outer Ketchikan	12.1%	16.4%	16.7%	18.3%	15.8%
Sitka Borough	7.6%	9.1%	12.2%	10.8%	10.0%
Skagway-Yakutat-Angoon	12.5%	14.0%	13.4%	20.2%	15.0%
Wrangell-Petersburg	11.0%	13.5%	13.4%	14.8%	16.1%

See footnote center insert.

Table II
1984 Unemployment Rates
High and Low by 1980 Census Area

	High (Month)	Low (Month)
Southeast Region	16.8% (Jan.)	9.4% (Aug.)
Haines Borough	20.5% (Jan.)	7.3% (Aug.)
Juneau Borough	12.3% (Jan.)	8.2% (May)
Ketchikan Borough	18.1% (Jan.)	12.4% (June)
Prince of Wales/Outer Ketchikan	20.9% (Jan.)	9.9% (Aug.)
Sitka Borough	14.4% (Jan.)	7.3% (Aug.)
Skagway-Yakutat-Angoon	22.0% (Jan.)	6.7% (Sept.)
Wrangell-Petersburg	24.5% (Jan.)	7.7% (Aug.)

See footnote center insert.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	P/	R/			
	2/85	1/85	2/84	1/85	2/84
Nonag. Wage & Salary	27150	26850	26100	300	1050
Construction	1050	1150	1350	-100	-300
Manufacturing	2050	1850	2000	200	50
Food & Kindred Prod.	400	350	350	50	50
Lumber & Paper Prod.	1400	1250	1450	150	-50
All Other Mfg.	250	250	200	0	50
Trans. Comm. & Utilities	1850	1800	1800	50	50
Trade	4500	4650	4050	-150	450
Wholesale	350	350	350	0	0
Retail	4150	4300	3700	-150	450
Finance-Ins. & R.E.	1100	1100	950	0	150
Mining, Services & Misc.	4450	4450	4300	0	150
Government	12150	11850	11650	300	500
Federal	1900	1900	1950	0	-50
State	5600	5500	5400	100	200
Local	4650	4450	4300	200	350

HOURS AND EARNINGS

By Kathleen Thomas

The effects of spring are beginning to appear in the hours and earnings data as average weekly hours in manufacturing rose 3% in February. The increase in average weekly hours generally means that businesses are gearing up for the active summer season. In February both food and kindred products and lumber and paper products average weekly hours increased over January average weekly hours. Construction, which has had average weekly hours lagging past periods, increased 4% from January to February. Wholesale trade, supplier to the manufacturing industries, followed the upward trend with a 7% increase in average weekly hours. However, retail trade still appears to be in the post holiday and pre-spring doldrums. Average weekly hours in retail trade remained level and average hourly earnings dropped 2% from January. On the whole, movement in hours and earnings is trending upward as the summer approaches. How high the level of activity will reach is difficult to gauge at this time but employment forecasts point to moderation with an activity level lower than for previous years.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 2/85	r/ 1/85	2/84	p/ 2/85	r/ 1/85	2/84	p/ 2/85	r/ 1/85	2/84
Mining	$23.42	$23.22	$22.41	53.0	52.8	49.5	$1241.26	$1226.02	$1109.30
Contract Construction	24.35	23.95	23.99	43.1	41.3	41.2	1049.49	989.14	988.39
Manufacturing	13.98	14.52	14.58	34.5	33.5	35.3	482.31	486.42	514.67
Food & Kindred Products	10.29	10.32	8.76	29.9	28.0	26.7	307.67	288.96	233.89
Lumber & Paper Products	16.42	16.80	17.08	34.5	31.9	40.6	566.49	535.92	693.45
Trans. Comm. & Utilities	15.07	14.95	15.27	34.8	35.1	38.8	524.44	524.75	592.48
Trade	10.75	10.81	10.19	34.6	34.1	33.9	371.95	368.62	345.44
Wholesale	12.01	12.69	11.93	39.4	37.0	37.7	473.19	469.53	449.76
Retail	10.17	10.05	9.39	32.8	33.0	32.4	333.58	331.65	304.24
Finance-Ins. & R.E.	—	—	—	—	—	—	412.78	403.49	369.28

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

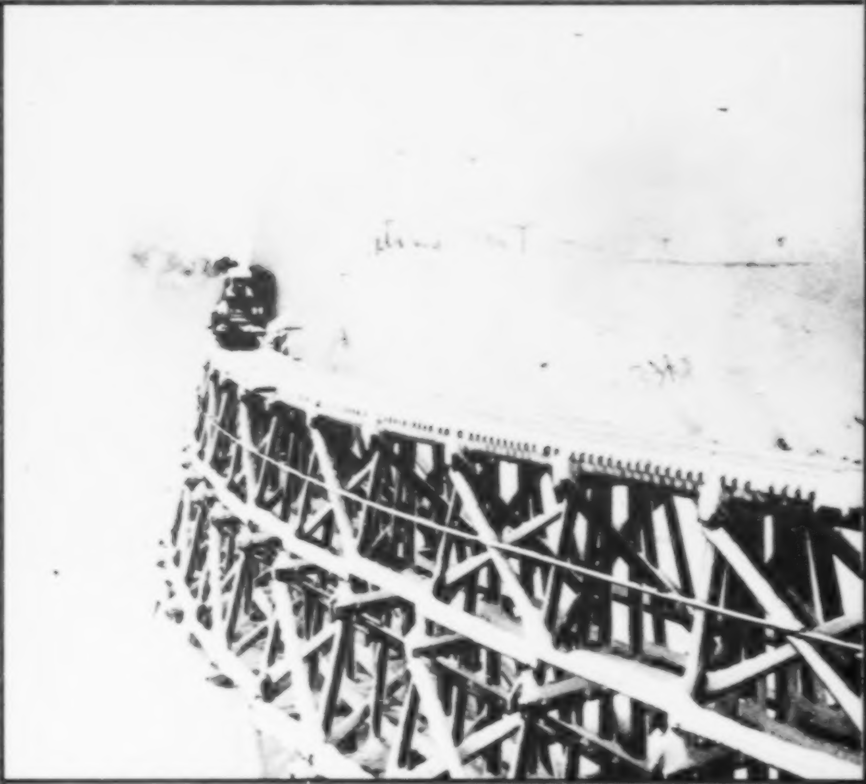
2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

MAY 1985

ALASKA ECONOMIC TRENDS

Alaska Department of Labor   Bill Sheffield, Governor, State of Alaska



1 Alaska's Average Monthly Earnings Grow Slowly

27 Skagway Employment 1980 to Present

Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

May 1985
Volume 5
Issue 5

Contents

Alaska's Average Monthly Earnings Grow Slowly 1

Alaska-*Growth in State Government Employment* 12
Anchorage/MatSu-*Eagle River and Surrounding Areas* ... 18
Fairbanks/Interior-*1985 Construction Season* 21
Gulf Coast-*Kenai-Soldotna Employment Growth* 24
Southeast Alaska-*Skagway Employment 1980 to Present* ... 27
Hours and Earnings-*State Government Average Earnings*. 32

Labor Force by Region and Census Area ..... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 1149, Juneau, Alaska 99802

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 1149, Juneau, Alaska 99802

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Alaska's Average Monthly Earnings Grow Slowly

By Neal Fried and Greg Huff

In 1984, Alaska's average monthly earnings stood at $2,383, $1,485 higher than in 1970. However, in constant or inflation adjusted dollars, the average wage earner is not that much better off. In 1984 constant dollars, 1970 average monthly earnings were $2,260, only $123 less than the 1984 figure. Thus for Alaska's wage earner, average monthly earnings have increased by a mere 5% over the past 14 years. Why has earnings growth been this slow? Have some industries fared better than others and have different areas of the state had different track records? These and other topics will be discussed in this article.

Before beginning analysis, it is important to have a good understanding of what average monthly earnings represent. The major source of this data is wages and salaries of employees as reported by employers covered by unemployment insurance in Alaska. The monthly earnings is calculated by dividing total wage payrolls by the number of jobs the payroll supports. Average monthly earnings is not necessarily what the individual Alaskan worker earns per month, but instead is what the average job pays. It is also impacted by the number of hours worked each month. This is an important distinction, particularly in Alaska, where seasonal employment prevails. Many workers earn their wages only during part of the year, and not over a 12-month period. An advantage of using this data is that the definition and the source of this data has been consistent over time.

In this article all reference to earnings will be in constant dollars, that is, in 1984 dollars. Earnings have increased by 5% in Alaska. This is a better record than the national average, where average earnings actually fell over the same time period. This minimal growth in earnings still comes as a surprise in light of the extremely strong economic growth which has taken place in Alaska since 1970. Employment in the state has more than doubled. However, inflation and low productivity growth have taken their toll, keeping "real" increases of Alaska's monthly earnings relatively constant.

This does not mean that the average Alaskan family or individual does not feel more than 5% better off. Indeed, family, household and per capita income has grown more rapidly than earnings per job. Today there is a much higher participation of women in the labor force. Far more women are earning wages and salaries today than in 1970. Participation of women in the labor force grew from 41% in 1970 to 60% in 1980. Couples have fewer children and therefore their income supports fewer individuals. Income in Alaska has also increased as a result of permanent fund dividends, subsidized interest rates, repeal of state income taxes, property tax relief and a number of other benefits as a result of state spending. Wages and salaries represent approximately 80% of total personal income in Alaska, but other factors have boosted Alaska's income beyond gains made in wages.

Over the past 15 years, average monthly earnings changes have been uneven. Earnings growth began slowly during the early 1970's and reached sizzling heights during the oil pipeline construction era of 1974-1976. From 1974 to 1975, Alaska's average monthly earnings climbed by 18.7% and, one year later climbed again by 9.8%. Labor shortage and overtime pay pushed monthly earnings upwards. Both pipeline and nonpipeline employers were forced to increase wages to attract or keep workers, and overtime was the rule of the day. Alaska's average monthly earnings peaked in 1976 at $3,238, a level which has yet to be repeated. Average monthly earnings began its long descent in real terms in 1977, falling 13.4% that year and continuing to chalk up losses through 1979, leveling off at $2,318.

Over the past 15 years, average monthly earnings changes have been uneven.

Beginning in 1981, average monthly earnings began to show signs of a comeback growing at an annual rate of 2.5%. Growth continued through 1983, but not with the corresponding vigor one might expect with a rapidly expanding economy and relatively low inflation. Unlike the pipeline years, there were few labor shortages in the 1980's. The national economy plunged into the worst postwar recession providing Alaska's economy with a more than ample supply of labor. Hours worked did climb, though not as rapidly as they did during the oil pipeline construction years.

In 1984, average monthly earnings fell by 3.8%. This occurred despite a relatively strong economy. The economic expansion had slowed and some industries were experiencing weakness, but a "real" fall in the average monthly wage was unexpected. With a less robust economy, average hours dropped pulling down average earnings.

Industry Analysis

An industry-by-industry analysis provides further insight into the monthly earnings picture. There are definite groups of long time winners and losers. These groups have either outperformed overall average monthly earnings or have fallen far short of this average. A number of industries have actually lost ground since 1970.

Among the winners are mining; transportation, communication and utilities; services; finance, insurance and real estate; and government. Overall, mining (largely oil) gets top honors. Mining's average monthly earnings have increased by 25% since 1970 or by a compounded annual growth rate of 1.4%. Mining also enjoys the highest monthly earnings of all industries at $4,544. Mining's average monthly earnings have increased four times as rapidly as the state's average. This industry has obviously performed well over the past decade, particularly with the discovery and development of Prudhoe Bay.

Transportation; finance, insurance and real estate; and services have all registered greater increases than the average. Gains in productivity may be one factor in transportation, communications and financial industries. The medical sector has been responsible for most of the growth in the service industry. Medical services employment has not only grown dramatically, but a long-term labor shortage for many of the occupations in this industry may have helped to keep wages far ahead of inflation. Though medical services average monthly earnings has more than kept up with inflation and outperformed average earnings growth, the absolute monthly earnings of $2,101 remains below the overall average of $2,383.

Government has also performed well, particularly at the state and local levels. The federal government's average monthly wage has for all practical purposes remained unchanged since 1972. State government holds the distinction of racking up the longest long-term "real" growth of government employees. In "real" terms, this category's monthly earnings has increased by 26% since 1970. Local government has also outperformed the overall monthly earnings picture, growing by almost 16% for the same period of time. Both state and local government earnings appear to be major beneficiaries of the state's new found oil wealth. For both levels of government, average monthly earnings in 1970 were below the state's average, but by the late 1970's state government began to pull ahead and local government surpassed the total state's average monthly earnings in 1983.

The list of losers is slightly shorter and contains some surprises. The list includes construction, manufacturing, and trade. Though construction enjoyed the highest monthly earnings of all industries during most of the 1970's and presently is in the second spot behind mining on real terms, it has not made any gains over its 1970 earnings levels. This does not mean there were not some very lucrative years for construction. From 1973 to 1976 earnings grew by 82%, reaching a high of $6,787 in 1976—the all time record average monthly earnings in Alaska's history. Construction's average monthly earnings fell almost as quickly as it rose. By 1979 construction's average monthly earnings had fallen to $3,874, a full 43 percentage points from its peak year in 1976. By 1980 construction's average monthly earnings began to recover, but it was short lived. In 1982 it started to lose ground again, and in 1984 it actually fell below 1970's level. A slower construction season and fewer overtime hours may be partially responsible for the 1984 decline, but the 1982 and 1983 declines must have resulted from other factors because they were good years for construction employment. A large supply of labor during these years provides the best explanation for the declining earnings.

Mining's (largely oil) average monthly earnings have increased by 25% since 1970.

Manufacturing earnings have performed poorly as a result of a depressed logging and pulp market and more recently, lower fish prices and a depressed shell fishery. Trade's poor performance came somewhat as a surprise given its extremely vigorous growth over the past four years. One explanation could be that a change in the composition of this industry with more chain stores and more eating and drinking establishments has increased competition in this market and has put downward pressure on wages. An increased use of part-time workers could also depress monthly earnings. A larger supply of unskilled and semi-skilled labor may have the affect of keeping wages down recently. Trade's average monthly earnings has consistently been the lowest of all industries over the past decade.

Regional Earnings Trends

Changes in average monthly earning levels by area vary depending upon the structure of the economy and location. The analysis of monthly earnings by area is limited due to lack of consistent wage and salary data series for many census areas of the state and because of boundary changes between 1970 and 1984. However, the 13 census areas that are discussed in this article represent over 86% of the statewide population and represent a wide spectrum of economies and locations.

During the construction of the oil pipeline between 1974 and 1977 the average monthly earnings increased dramatically but was not evenly distributed among the various areas. Average monthly earnings in the areas containing primary construction and construction staging sites increased their average monthly earnings the most dramatically during this period. Due to a shortage of workers, earnings in nonpipeline industries also increased during increased construction activities. Average monthly earnings peaked in 1976 to $6,545 on the North Slope, $6,604 in the Valdez area and $3,629 in the Fairbanks area. Single year increases were as high as 91% in Barrow North Slope, 70% in Valdez and 30% in Fairbanks.

Average monthly earnings also increased in other railbelt communities that supplied materials, labor and support for the pipeline construction. Increases in average monthly earnings were not as extreme in these communities. Anchorage served as a primary transportation hub and supply link, major business center and oil companies headquarters, yet Anchorage's average monthly earnings increased only 5% from 1975 to 1976. This was nearly 30% less than in Fairbanks. The Kenai Peninsula with an established oil industry giving support to the oil pipeline construction, saw monthly earnings increase 6.6% in 1976.

Inevitably the pipeline construction project boom turned to bust. During the various stages of completion from 1976-1978, wages fell in the Valdez area by 64%, on the North Slope by 23% and by 29% in Fairbanks. In Anchorage, wages dropped from $2,709 per month in 1976 to $2,299 per month in 1980. On the Kenai Peninsula, they fell from $3,069 during the peak of construction to $2,464 in 1979 before rising again in 1980.

Monthly wages in the Aleutian Islands, Juneau, Kodiak, Nome, Wade Hampton, and Wrangell-Petersburg census area were insulated from the effects of the oil pipeline construction. These area's economies relied heavily on the fishing, government and timber industries and provided little or no labor, materials or other support to the pipeline project. Changes in average monthly earnings in these areas were a result of changes on the fortunes of these other industries.

Unlike the pipeline construction era the massive amount of dollars that were being injected into the Alaskan economy from 1980 through 1984 reached all areas of the state. State revenues finding their way into the regional economies had a positive effect on earnings. However, the increases during this period were not at the same magnitude as those during pipeline construction. In the early stages of the expansion there were some labor shortages which caused earnings gains. Overtime was the rule for construction. With the influx of workers from the lower 48 the work force expanded and the job market switched to an employers' market. Construction began to slow in 1984 as overtime hours decreased in the construction industry.

In all areas, average monthly earnings fell during 1983 and 1984 with the exception of the MatSu area which experienced an increase of 2.1%. The Kenai area was the only area that experienced a downturn in average monthly earnings during the 1981-1984 period. This is due to the sharp rise in trade employment which had much lower average monthly earnings gains than those in the oil industry.

Those areas with a high concentration of oil related jobs have the highest average monthly earnings. The North Slope Borough's average monthly earnings per job ranked first in the state at $4,896 in 1984, a ranking it has maintained since 1970. In 1984, due to its proximity to the North Slope oil fields, Fairbanks, had the second highest average monthly earnings per job $2,411. (The Valdez area earnings would probably rank second but because of changes in census boundaries this cannot be accurately determined. However, comparable data for 1982 shows average earnings in Valdez of $2,999, $450 more than Fairbanks' 1982 earnings.) Average monthly earnings in Kenai, Anchorage and Juneau are ranked third, fourth and fifth. Kenai has a high proportion of oil related production and manufacturing jobs. Kenai and Fairbanks swapped ranking from 1970 to 1984 as a result of the development of the North Slope oil field. Juneau's average monthly earnings is high due to the high concentration of government jobs.

The areas with the lowest earnings are rural in character and rely more on seasonal industries such as fishing, lumber, and subsistance, and less on a cash economy for a livelihood. This is because job opportunities are very limited. The Wade Hampton area has the lowest average monthly earnings. The Aleutian Islands have experienced the most drastic shift in ranking status over the 14 year period. In 1970 average monthly earnings were $2,444, a ranking of second, and falling to $1,766 by 1984 to number 10. This was caused by the withdrawal of many military and civilian military personnel from the area and decline in the king crab fisheries.

The areas with the lowest earnings are rural in character and rely more on seasonal industries such as fishing, lumber, and subsistance.

Although the Wade Hampton area has the lowest average monthly earnings of the selected areas, the compounded growth rate since 1970 is the highest, averaging 2.4% annually, seven times faster than monthly earning statewide. Earnings per month grew from $997 in 1970 to $1,425 in 1984. The pattern of this growth was extreme, growing by 45% in a single year and fall-

Average Monthly Earnings by Industry
1970-1984
(Adjusted to 1984 Dollars)

Industry	1970	1972	1974	1976	1978	1980	1982	1984 1/	Cmpd. Growth Rate 1970-1984
State Total	$2260	$2307	$2484	$3238	$2483	$2333	$2439	$2383	0.35%
Mining	3642	3667	3882	4543	4801	4588	4506	4544	1.49%
Metal Mining	2509	2221	2311	2395	2440	2668	5223	3124	1.47%
Oil and Gas	3743	3831	4022	4702	4912	4716	4610	4627	1.42%
Other	3629	3136	3810	4100	*	3787	4297	4786	1.86%
Contract Construction	3828	3852	4699	6787	4330	4017	4175	3761	-0.12%
Manufacturing	2245	2209	2334	2366	2317	2221	2072	2123	-0.37%
Trans Comm & Public Utilities	2567	2606	2820	3398	3138	2966	3091	2924	0.87%
Trucking and Whseing	2429	2364	3242	4768	3729	3577	3389	2886	1.16%
Water Transportation	2149	2385	2548	2979	2837	2739	3116	3025	2.30%
Air Transportation	2555	2580	2696	2531	2621	2440	2611	2479	-0.20%
Other Transportation	1389	1315	1449	2654	2809	2617	2845	2654	4.41%
Comm & Pub Utilities	3184	3125	3256	3723	3713	3449	3537	3477	0.59%

Trade	1802	1824	1791	1930	1779	1618	1613	1622	-0.70%
Wholesale	2638	2720	2807	3050	2753	2601	2593	2543	-0.24%
Retail	1578	1605	1550	1612	1537	1391	1381	1397	-0.81%
Finance-Ins. & Real Estate	1822	2012	1968	2010	2018	1894	2029	2095	0.93%
Services	1631	1660	1811	2518	1862	1693	1900	1827	0.76%
Hotels, Motels & Lodges	1236	1175	1167	1221	1169	1077	1021	1103	-0.76%
Personal Services	1304	1327	1299	1377	1189	1107	1114	1056	-1.40%
Business Services	1978	1657	1976	3880	2403	1903	2154	1908	-0.24%
Medical Services	1528	1879	1840	2042	2106	2080	2206	2101	2.15%
Other Services	1709	1755	1992	2096	1759	1651	1959	1938	0.84%
Government	2197	2323	2274	2381	2403	2362	2433	2479	0.81%
Federal	2250	2345	2303	2279	2333	2141	2140	2267	0.05%
State	2180	2323	2431	2573	2753	2792	2720	2738	1.53%
Local	2107	2309	2034	2328	2212	2233	2432	2438	0.98%

1/ Based on 9-month average
* Nondisclosable.

Table II
Average Monthly Earnings by Census Area
1970-1984
(Adjusted to 1984 Dollars)

Industry	1970	1972	1974	1976	1978	1980	1982	1984	Cmpd. Growth Rate 1970-1984
State Total	$2260	$2307	$2484	$3238	$2483	$2333	$2439	$2383	0.35%
Aleutian Islands	2444	2307	2171	2518	1958	1873	1801	1766	2.14%
Anchorage Borough	2295	2395	2402	2709	2484	2299	2344	2324	0.08%
Barrow	3738	3134	2933	6545	5106	4575	5063	4896	1.82%
Fairbanks North Star	2303	2252	2717	3629	2658	2470	2526	2411	0.31%
Juneau Borough	2255	2404	2330	2375	2331	2261	2324	2263	0.02%
Kenai Peninsula	2529	2573	2546	2926	2613	2556	2521	2367	-0.44%
Kodiak Island Borough	1679	2024	2128	2161	1970	1851	1994	1933	0.94%
Mat/Su Borough	2119	2078	2110	2210	2046	1918	2041	2038	-0.26%
Nome	1696	1883	1912	2160	1729	1777	2006	2007	1.13%
Seward	1880	1978	2029	1978	1684	1909	1971	2066	0.63%
Wade Hampton	997	1581	1375	2266	1593	1384	1530	1425	2.41%
Wrangell-Petersburg	1842	2033	2186	2167	2033	1855	2147	1955	0.40%
Valdez-Chitina-Whittier	2016	2437	3345	6604	2619	2912	2999	*	*

* Data not available

ing by 28% another year. The area where monthly earnings fell most severly was the Aleutian Islands. The Aleutians had declines 9 out of 14 years. Two other areas had overall declines in the average monthly earnings during this 14 year period. They were Kenai and the MatSu areas. This might be due to their fast growing lower paying retail trade sectors.

The Nome and Kodiak areas monthly earnings growth ranked second and third. The early 1970's were good years for Kodiak where wages increased 5 out of the first 6 years, the largest increase occurring from 1971 to 1972. Since 1976 increases occurred only two out of eight years. Seward, unlike the remainder of the Kenai Peninsula Borough, has experienced positive growth in monthly earnings over the entire period. The Anchorage and Juneau areas have barely managed to keep up with inflation. In Juneau this is somewhat surprising because of the high ratio of state workers whose earnings grew 26% over the 14 year period. Obviously, wages in other sectors of the Juneau economy have lost ground to inflation. In Anchorage, the sectors which have had low real earnings gains and even losses such as the retail trade and services sectors provided most of the new jobs which offset the earnings gains in other industries.

Alaska

By Ed Eboch

Growth in State Government Employment

Much attention has been given to the growth in Alaska state government employment over the past several years. While state government employment has grown 7.5% since 1982, the rate of growth is less than the 16.7% growth in population. With a rapidly growing population the state has found it necessary to provide additional services. This is reflected in the growth in employment by department (Table I). Those departments whose employment is population driven (i.e., Department of Health and Social Services, Department of Labor, Department of Corrections, University of Alaska), have rates of growth comparable to the rate of growth in the population. Those departments whose employment is less directly related to population have generally increased at a slower rate than increases in population. (*Note:* The data reflects the annual average number of state workers, including the University of Alaska System, who received a paycheck during calendar year 1982 and 1984. It should not be confused with positions authorized by the legislature in the budget which may differ due to vacancies and other reasons. It does not distinguish between full-time, part-time, project or seasonal employment.)

All areas of the state have benefited from the growth in state employment (Table II). The Northern and Gulf Coast regions have experienced the greatest rate of increase while Anchorage and Fairbanks have had the greatest absolute increases in number of state government employees. In comparing state employment between time periods the effect of seasonal employment is also important. Total state government employment data indicates a downturn during the summer months but if we exclude the University of Alaska from the data we see state noneducational employment increased during the summer months (Graph I). Much of the increase is explained by seasonal employees in the Departments of Natural Resources and Fish and Game, (Graph II). From the same graph we see that the Department of Public Safety also increases its employment during the summer months while the Department of Corrections has gradually increased employment as a result of court cases and an increased prison population. Although not shown, it should be noted that the legislature has approximately 50% more employees during the legislative session than during the rest of the year. Employment in the legislature will therefore be impacted by the length of the legislative session.

Caution is advised in using the departmental data in the form presented as programs continuously change. The most obvious example is a new Department of Corrections, a division in the Department of Health and Social Services in 1982. Programs have also been transferred between departments. For example, energy programs were transferred from the Department of Commerce and Economic Development (DCED) to the Department of Community and Regional Affairs while weigh stations were transferred to DCED from Public Safety. This movement of programs and activities make it difficult to draw conclusions from department data without additional analysis. An increase in the number of employees in a department does not necessarily mean expanded programs. It should also be noted that the data is for the calendar year and not the state fiscal year.

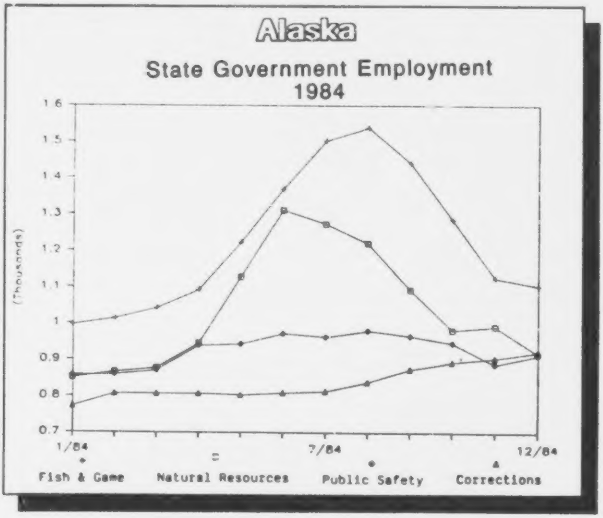


Table I
Alaska
State Government Employment 1/
by Organization

	1982	1984	% Change
Population 4/	460837	538000	16.7
Office of Ombusdman	20	26	30.0
Health & Social Services	2087	1632	18.3 3/
Corrections	* 2/	837	* 3/
Legislative	455	523	14.9
Administration	1041	1185	13.8
Law	300	340	13.3
University of Alaska	4188	4724	12.5
Labor	591	659	11.5
Revenue	342	375	9.6
Court System	590	642	8.8
Fish & Game	1173	1229	4.8
Education	464	480	3.4
Environmental Conservation	216	223	3.2
Commerce & Economic Development	439	452	3.0
Natural Resources	1019	1038	1.9
Public Safety	908	925	1.9
Military Affairs	93	93	—
Transportation	3204	3132	-2.2
Governor's Office	276	260	-5.8
Community & Regional Affairs	233	187	-19.7
Total State Government	17649	18962	7.4

1/ Data reflects the annual average number of state workers, including the University of Alaska, who received a paycheck during calendar year 1984. It should not be confused with positions authorized by the legislature which may differ due to vacancies and other reasons. It does not distinguish between a full-time, part-time, project or seasonal employee.

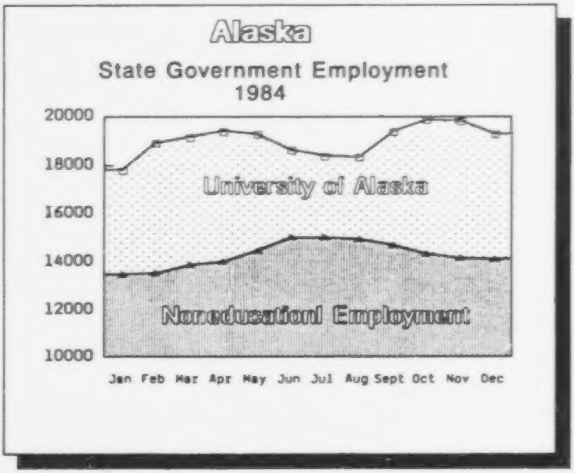
2/ The Department of Corrections was part of the Department of Health & Social Services in 1982.

3/ Represents growth in the combined Department of Health and Social Services and the Department of Corrections.

4/ July 1, 1982 population and 1984 population estimates.

Table II
Alaska
State Government Employment
by Area

	1982	1984	% Change
Northern Region	297	363	22.2
Nome	215	236	9.8
Interior Region	3671	3974	8.2
Fairbanks	3397	3677	8.2
Southwest Region	436	467	7.1
Bethel	230	234	1.7
Anchorage Region	6577	7125	8.3
Anchorage	6034	6477	7.2
MatSu Borough	543	648	19.3
Gulf Coast Region	1361	1536	12.9
Kenai	405	530	30.9
Southeast Region	5210	5410	3.8
Juneau	4271	4382	2.6
Ketchikan	526	580	10.3
Out of State	90	89	-1.1
Not assigned to an area	7	4	—
Total	17649	18968	7.5



Nonagricultural Wage and Salary Employment
by Place of Work
Alaska

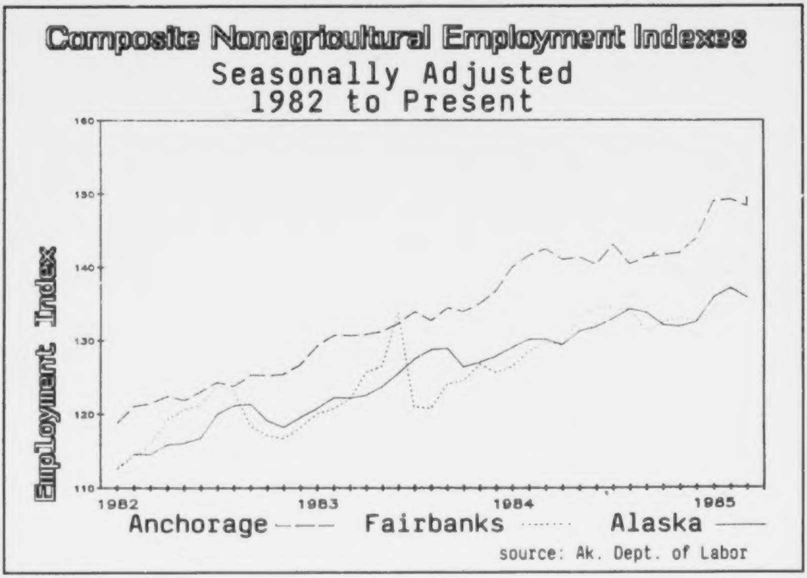
	P/ 3/85	R/ 2/85	3/84	Changes From: 2/85	3/84
Nonag. Wage & Salary	221500	218700	211900	2800	9600
Mining	9700	9700	8600	0	1100
Construction	15600	14800	16600	800	-1000
Manufacturing	8700	7800	8200	900	500
Food & Kindred Prod.	3500	3000	3300	500	200
Lumber & Paper Prod.	2100	1800	2000	300	100
All Other Mfg.	3100	3000	2900	100	200
Trans. Comm. & Utilities	18300	18100	18000	200	300
Trucking & Whseing	2200	2100	2000	100	200
Water Transportation	1100	1100	1100	0	0
Air Transportation	6000	5900	5900	100	100
Other Trans. Comm. & Utilities	9000	9000	9000	0	0
Trade	43300	43500	41400	-200	1900
Wholesale	8700	8500	8200	200	500
Retail	34600	35000	33200	-400	1400
Gen. Mer. & Apparel	4900	4900	4600	0	300
Food Stores	5800	5800	5300	0	500
Eating & Drinking Pl.	12300	12700	11700	-400	600
Other Retail Trade	11600	11600	11600	0	0
Finance-Ins. & R.E.	12700	12600	11900	100	800
Services & Misc.	43500	43200	41800	300	1700
Government	69700	69000	65400	700	4300
Federal	18100	18000	17500	100	600
State	20400	20100	19400	300	1000
Local	31200	30900	28500	300	2700

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

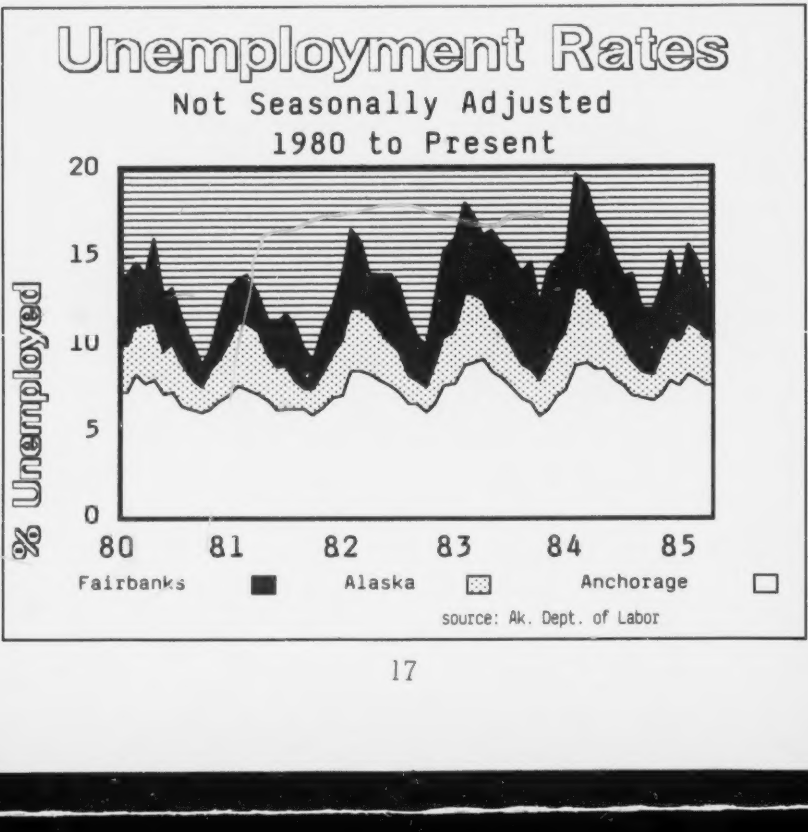
P/ Denotes preliminary estimates.
R/ Denotes revised estimates.



Composite Nonagricultural Employment Indexes

Seasonally Adjusted
1982 to Present

source: Ak. Dept. of Labor



Unemployment Rates

Not Seasonally Adjusted
1980 to Present

source: Ak. Dept. of Labor

Anchorage/MatSu

By Greg Huff

Eagle River and Surrounding Areas Population and Employment Trends 1980-1984

Situated along the Glenn Highway at the most northern portion of the Municipality of Anchorage, are the communities of Eagle River, Chugiak, Birchwood, Peters Creek and Eklutna. These communities, separated from the core of Anchorage by Elmendorf AFB and Fort Richardson, were, except for the Abbott Loop area of Anchorage, the fastest growing communities in the Municipality of Anchorage from 1980 to 1984. In these four years, the population nearly doubled from 12,858 to 24,202. Seventy percent of the area's net gain was in the Eagle River area. By 1984 Eagle River, Chugiak, Birchwood, Peters Creek and Eklutna accounted for 10% of Anchorage's total population up from 7.4% in 1980 and 4.6 in 1970.

The growing population caused established firms to expand their existing operations and new firms to move into the area. As a result, employment in the Eagle River, Chugiak and surrounding areas increased from 1,203 in 1980 to 2,266 in 1984, an 88% increase. The number of firms increased from 163 to 325. Two-thirds of the new jobs created over the period were in businesses related to wholesale and retail trade, medical care, a host of personal and business services, and those providing electricity and telephone services.

Retail trade is the single largest sector and provided the majority of new jobs over the period. Sixty-seven percent of all retail jobs in the area are directly related to feeding the residents either at restaurants or grocery stores. Employment in the trade sector will grow substantially in Eagle River during this year with the opening in April of the Eagle Valley Center. In addition, several fast food restaurants are expected to open in 1985.

In response to a sharp rise in the population of school age children, school employment in the area grew 46% over the four year period. The demand for other government services such as road maintenance and law enforcement increased employment throughout the Municipality of Anchorage, but may not be specifically indicated in the employment statistics for the Ea-

Labor Force by Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 3/85	R/ 2/85	3/84	P/ 3/85	R/ 2/85	3/84	P/ 3/85	R/ 2/85	3/84	P/ 3/85	R/ 2/85	3/84
Alaska Statewide	251114	246101	234842	26185	26593	27844	10.4	10.8	11.9	224929	219508	206998
Anch.-MatSu Region	136274	134473	125877	11916	12253	11537	8.7	9.1	9.2	124358	122220	114340
Anchorage Borough	121531	119778	112403	9416	9590	9319	7.7	8.0	8.3	112115	110188	103084
MatSu Borough	14743	14695	13474	2500	2663	2218	17.0	18.1	16.5	12243	12032	11256
Gulf Coast Region	25561	24695	24267	3812	3568	4010	14.9	14.4	16.5	21749	21127	20257
Kenai Peninsula Bor	15796	15429	15225	2524	2536	2863	16.0	16.4	18.8	13272	12893	12362
Kodiak Island Bor	5917	5504	5191	779	513	406	13.2	9.3	7.8	5138	4991	4785
Valdez-Cordova	3848	3762	3851	509	519	741	13.2	13.8	19.2	3339	3243	3110
Interior Region	37243	36577	34821	4838	5237	5342	13.0	14.3	15.3	32405	31340	29479
Fairbanks North Star Borough	30077	29664	28082	3897	4344	4266	13.0	14.6	15.2	26180	25320	23816
Southeast Fairbanks	2970	2920	2775	333	370	376	11.2	12.7	13.5	2637	2550	2399
Yukon-Koyukuk	4196	3993	3964	608	523	700	14.5	13.1	17.7	3588	3470	3264
Northern Region	8782	8150	8183	904	627	1115	10.3	7.7	13.6	7878	7523	7068
Kobuk	2762	2559	2621	290	198	403	10.5	7.7	15.4	2472	2361	2218
Nome	3721	3469	3450	423	320	492	11.4	9.2	14.3	3298	3149	2958
North Slope Borough	2299	2122	2112	191	109	220	8.3	5.1	10.4	2108	2013	1892
Southeast Region	31846	31496	31430	3514	4097	4700	11.0	13.0	15.0	28332	27399	26730
Haines Borough	1063	1040	1005	171	177	163	16.1	17.0	16.2	892	863	842
Juneau Borough	12030	11810	11599	1064	1205	1252	8.8	10.2	10.8	10966	10605	10347
Ketchikan Gateway Borough	6737	6748	6761	728	937	1092	10.8	13.9	16.2	6009	5811	5669
Prince of Wales-Outer Ketchikan	2384	2347	2372	342	372	446	14.3	15.9	18.8	2042	1975	1926
Sitka Borough	3932	3884	3836	314	385	423	8.0	9.9	11.0	3618	3499	3413
Skagway-Yakutat-Angoon	2089	2085	1972	396	448	375	19.0	21.5	19.0	1693	1637	1597
Wrangell-Petersburg	3611	3582	3885	499	573	949	13.8	16.0	24.4	3112	3009	2936
Southwest Region	11408	10710	10264	1201	811	1140	10.5	7.6	11.1	10207	9899	9124
Aleutian Islands	2677	2544	2416	119	64	130	4.4	2.5	5.4	2558	2480	2286
Bethel	4483	4195	4048	540	371	523	12.0	8.8	12.9	3943	3824	3525
Bristol Bay Borough	452	433	417	51	44	58	11.3	10.2	13.9	401	389	359
Dillingham	1906	1807	1709	214	166	197	11.2	9.2	11.5	1692	1641	1512
Wade Hampton	1890	1731	1674	277	166	232	14.7	9.6	13.9	1613	1565	1442

P/ = Preliminary   1984 Benchmark

R/ = Revised

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Compairsons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush locatlities have proportionately more of these discouraged workers.

gle River/Chugiak areas. During the period between 1980 and 1984, employment in the transportation, communications and utilities industry fluctuated substantially due to changes in school bus contracts. All other segments of the industry experienced employment gains over the 1980 to 1984 period.

Table I
Eagle River and Surrounding Area
Population
1970-1984

	1970 1/	1980 1/	1981 2/	1982 2/	1983 2/	1984 2/
Eagle River	2981	7528	8787	9106	13741	15320
Chugiak, Birchwood, Peters Creek and Eklutna	2851	5330	5538	5871	8208	8892
Total Area	5832	12858	14325	14977	21949	24202
Total Anchorage	126385	174431	187761	204216	230846	244030

1/ Source: U.S. Census.
2/ Source: Municipality of Anchorage, Planning Department.

Table II
Eagle River/Chugiak and Surrounding Area Employment
1980-1984

	1980	1981	1982	1983	1984 1/
Nonag. Wage & Salary	1203	1398	1579	1951	2266
Mining	*	*	*	*	*
Construction	90	122	206	305	362
Manufacturing	*	*	*	*	*
Trans. Comm. & Utilities	123	116	82	143	189
Trade	314	466	533	608	661
Wholesale	31	57	50	51	49
Retail	283	409	483	557	612
Finance-Ins. & Real Estate	34	37	48	64	80
Services and Misc.	250	264	261	362	459
Government	383	379	385	451	495
Federal	40	26	25	35	38
State	98	98	92	100	100
Local	245	255	268	316	357

1/ First 9 months average
* Nondisclosable

Note: The Eagle River, Chugiak, Peters Creek and Eklutna areas employment statistics are only available beginning in 1980.

Nonagricultural Wage and Salary Employment
by Place of Work
Anchorage/MatSu

	P/	R/		Changes From:	
	3/85	2/85	3/84	2/85	3/84
Nonag. Wage & Salary	119150	118500	112900	650	6250
Mining	4200	4150	3900	50	300
Construction	8350	8150	9000	200	-650
Manufacturing	2450	2350	2250	100	200
Trans. Comm. & Utilities	9400	9350	9250	50	150
Trade	29100	29050	26950	50	2150
Finance-Ins. & R.E.	9300	9300	8300	0	1000
Services & Misc.	27650	27550	26000	100	1650
Government	28700	28600	27250	100	1450

Nonagricultural Wage and Salary Employment
by Place of Work
Anchorage

	P/	R/		Changes From:	
	3/85	2/85	3/84	2/85	3/84
Nonag. Wage & Salary	111900	111400	107350	500	4550
Mining	4200	4150	3900	50	300
Construction	7700	7550	8250	150	-550
Manufacturing	2350	2300	2200	50	150
Food & Kindred Prod.	350	350	350	0	0
Other Mfg.	2000	1950	1850	50	150
Trans. Comm. & Utilities	8700	8700	8650	0	50
Trucking & Whseing	1150	1150	1050	0	100
Water Transportation	350	350	350	0	0
Air Transportation	3350	3350	3550	0	-200
Other Trans. Comm. & Utilities	3850	3850	3700	0	150
Trade	27400	27400	25650	0	1750
Wholesale	6650	6550	6300	100	350
Retail	20750	20850	19350	-100	1400
Gen. Merchandise	1500	1550	1550	-50	-50
Food Stores	3050	3100	2600	-50	450
Eating & Drinking Pl.	8200	8300	7550	-100	650
Other Retail Trade	8000	7900	7650	100	350
Finance-Ins. & R.E.	8800	8650	8300	150	500
Services & Misc.	26250	26250	25050	0	1200
Government	26500	26400	25350	100	1150
Federal	10200	10150	9900	50	300
State	7000	6950	6750	50	250
Local	9300	9300	8700	0	600

Fairbanks/Interior

By Neal Fried

Fairbanks—1985 Another Good Construction Season?

The 1980's have been good years for the construction industry in Fairbanks. The number of new jobs in this industry has climbed by 1,200 in four years. Presently, the industry employs approximately 2,800 people. In Fairbanks, construction's share of total employment has risen steadily each year and now represents 10% of the wage and salaried work force. The status of this industry is often used, though not always accurately, as a barometer of a local community's economic health. This occurs because it is such a visual and tangible activity and because the expansion of any industry will generally involve a construction phase.

Public, commercial, and residential construction all contribute to the industry's growing employment. Public and residential construction receive a boost from state expenditures for capital projects and subsidized home programs. Commercial construction follows the lead of public and residential construction. All three sectors have remained strong over the past four years. Will this good fortune continue through 1985? Construction's employment growth rate peaked in 1982, but employment continues to grow at a more than respectable rate (12% in 1984). Unlike statewide construction, which began to show weakness during the latter half of 1984, Fairbanks construction employment experienced strong growth.

Most public sector construction activity is generated from past years state government appropriations. In 1984, the legislature passed the largest capital projects package in Fairbanks' history ($112 million), insuring that 1984 and 1985 would be good years for construction employment. There are some concerns about future public construction activity because of a decline in state revenues. It is too early to estimate how lower revenues will affect Fairbanks this year, but significantly smaller revenues could restrain public construction. Commercial construction is a hard industry to forecast because there is not a great deal of information about future projects. However, building permit values for the last half of 1984 were very strong, which should portend a good 1985 season. Major contractors in the field have

Nonagricultural Wage and Salary Employment by Place of Work Interior

				Changes From:	
	P/ 3/85	R/ 2/85	3/84	2/85	3/84
Nonag. Wage & Salary	31550	30900	29700	650	1850
Mining	250	300	200	-50	50
Construction	2550	2350	2100	200	450
Manufacturing	500	500	500	0	0
Trans. Comm. & Utilities	3400	3350	3350	50	50
Trade	5950	5950	5600	-50	300
Finance-Ins. & R.E.	1000	1000	1000	0	0
Services & Misc.	5550	5450	5400	100	150
Government	12400	12000	11550	400	850

Nonagricultural Wage and Salary Employment by Place of Work Fairbanks

				Changes From:	
	P/ 3/85	R/ 2/85	3/84	2/85	3/84
Nonag. Wage & Salary	27200	26900	25750	300	1450
Mining	150	200	100	-50	50
Construction	2450	2250	2050	200	400
Manufacturing	500	450	450	50	50
Trans. Comm. & Utilities	2750	2750	2700	0	50
Trucking & Whseing	450	450	350	0	100
Air Transportation	800	800	750	0	50
Other Trans. Comm. & Utilities	1500	1500	1600	0	-100
Trade	5450	5550	5200	-100	250
Wholesale	1050	1050	1000	0	50
Retail	4400	4500	4200	-100	200
Gen. Mer. & Apparel	500	500	500	0	0
Food Stores	800	800	700	0	100
Other Retail Trade	3100	3200	3000	-100	100
Finance-Ins. & R.E.	900	900	900	0	0
Services & Misc.	5300	5150	5150	150	150
Government	9700	9650	9200	50	500
Federal	2700	2700	2550	0	150
State	4200	4150	3950	50	250
Local	2800	2800	2700	0	100

identified a number of specific projects and also have predicted another good year.

Residential construction is the most difficult to predict because of the large number of contractors involved and the fickle nature of the market. It appears vacancies are up and there is a good inventory of homes for sale. Growth is unlikely to occur in this industry. A number of contractors do have plans for additional large multi-family complexes which should keep the building permit numbers high, particularly if the planned 300 unit complex at Eielson AFB gets underway this building season. Single family home construction is expected to remain sluggish again in 1985 and the duplex and four-plex market probably peaked in 1984. Overall, construction in 1985 should remain strong. Relative to 1984's levels no dramatic swing in either direction is expected. A repeat of 1984's levels would make 1985 a more than respectable year.

Gulf Coast

By Neal Fried

Kenai-Soldotna Employment Growth

The Department of Labor now has the capability to produce wage and salary employment statistics for the Kenai-Soldotna market area within the Kenai Peninsula Borough (see Table below). Since 1980, there has been an increase of 2,084 new jobs in the Kenai-Soldotna area. This will come as no surprise to many, since the area's population has grown by 47%. The nonagricultural wage and salary employment payroll has climbed from $152 million in 1980 to $239 million in 1984. Job growth in the area has outstripped most of the state over the past four years. Employment in the Kenai-Soldotna area has grown by 37% compared to 32% statewide.

The top four contributors to employment growth have been construction, trade, government, and services. Together these four industries have been responsible for 75% of the new jobs in the area. Construction was the number one growth industry with employment increasing by 76% over the past four years. Trade was second in percentage growth and first in absolute number of jobs. In four years the trade industry has added 681 new jobs. Government and services followed closely behind trade in employment growth.

Construction and trade growth has manifested itself in the malls and retail outlets which have multiplied in the area. Construction's legacy is also evident in the form of new schools, public projects, and housing. The face of retail trade in Kenai-Soldotna has changed permanently. The industry is now dominated by franchise and large national chains, and competition in retail trade has become increasingly fierce. Retail trade's share of the work force has grown from 12% in 1980 to 16% in 1984.

In spite of growing employment, two of the area's basic industries employment have actually fallen. There are fewer people employed in manufacturing and mining than were employed in 1980 (see Table I, Mining and Food and Kindred Products). Manufacturing declined as a result of poor shellfish harvests and mining declined as a result of a declining oil field. In the

Table I
Kenai-Soldotna Employment
1980-1984

	1980	1981	1982	1983	9 Month Average 1984	Number of New Jobs 1/ 1980-1984
Nonagricultural Wage & Salary	5637	5986	6523	7019	7694	2057
Mining	733	718	722	552	594	-139
Construction	514	608	675	790	906	392
Manufacturing	1024	856	924	922	992	-32
Food & Kindred Products	536	368	424	403	461	-75
Trans. Comm. & Utilities	458	634	632	629	603	145
Trade	911	1017	1083	1262	1592	681
Wholesale	236	311	283	289	339	103
Retail	675	706	800	973	1253	578
Finance-Ins. & Real Estate	155	177	206	231	233	78
Services & Misc.	688	758	911	1121	1151	463
Government	1154	1218	1370	1512	1623	469
Federal	76	74	77	92	97	21
State	323	365	402	456	508	185
Local	755	779	891	964	1018	263

Source: Alaska Department of Labor, Research and Analysis.

1/ By comparing the 1984 nine month average employment to the 1980, full years employment may overstate actual growth in employment during this period.

Nonagricultural Wage and Salary Employment
by Place of Work
Gulf Coast

	P/	R/		Changes From:	
	3/85	**2/85**	**3/84**	**2/85**	**3/84**
Nonag. Wage & Salary	18650	18250	17850	400	800
Mining	800	800	700	0	100
Construction	1350	1300	1350	50	0
Manufacturing	2000	1900	2150	100	-150
Food & Kindred Prod.	1350	1250	1550	100	-200
All Other Mfg.	650	650	600	0	50
Trans. Comm. & Utilities	2100	2100	2100	0	0
Trade	3200	3100	3000	100	200
Wholesale	400	400	400	0	0
Retail	2800	2700	2600	100	200
Finance—Ins. & R.E.	650	650	600	0	50
Services & Misc.	3000	3000	2700	0	300
Government	5550	5400	5250	150	300
Federal	500	500	500	0	0
State	1600	1550	1550	50	50
Local	3450	3350	3200	100	250

past, a deterioration in any one of these industries and particularly in both may have caused total employment in the area to fall. The present economy of the area obviously received its boost from state expenditures and tourism.

Tourism has been on the rise from both increasing numbers of out-of-state and Alaskan visitors. The number of tourists will likely continue to climb in future years, providing stimulus from expansion in this industry. The decline in state expenditures, however, will eventually be felt. In the near future, this will translate into slower growth.

Southeast Alaska

By John Boucher

Skagway Employment 1980 to Present

The conversion of the Department of Labor's ES-202 data to 1980 census areas has made data available in much finer detail than was previously attainable. The conversion allows the analysis of smaller areas that were previously masked within the larger census divisions. The first case study chosen within the Southeastern region is of an area that has received a lot of publicity during the past several years because of the extremely high unemployment rates that occurred following the closure of the White Pass and Yukon railroad in 1982. The area referred to is the Skagway census subarea, which includes Skagway and the Clifton area.

One unique aspect about any employment study of the Skagway area is that it would not be very meaningful unless employment not covered by state or federal unemployment laws was considered. Any exclusion of noncovered employees would necessarily exclude railroad workers since they have a separate unemployment compensation system. Therefore, the impact of the railroad closure would not show up in the covered numbers except for the residual effects on covered employment such as layoffs in retail trade stores caused by a lack of business. To illustrate this point consider the fact that employment covered by Alaska unemployment insurance held relatively stable from 1980 to 1984 while nonagricultural wage and salary employment including noncovered employment decreased during that period nearly 33%.

The overall impact on the Skagway economy by the closure of the White Pass and Yukon railroad has obviously been devastating to this historic Alaskan town. When the railroad ceased to operate it took with it about 160 year-round jobs and an annual payroll of over 4.5 million dollars. Total nonagricultural employment dropped by nearly one-third from 1981, the last full year of operation, to 1983 the first full year of closure.

When an economic event of this magnitude occurs, it would be expected to have repercussions in the local wage and salary employment figures. However, Skagway wage and salary em-

Skagway Employment

January 1980 to September 1984

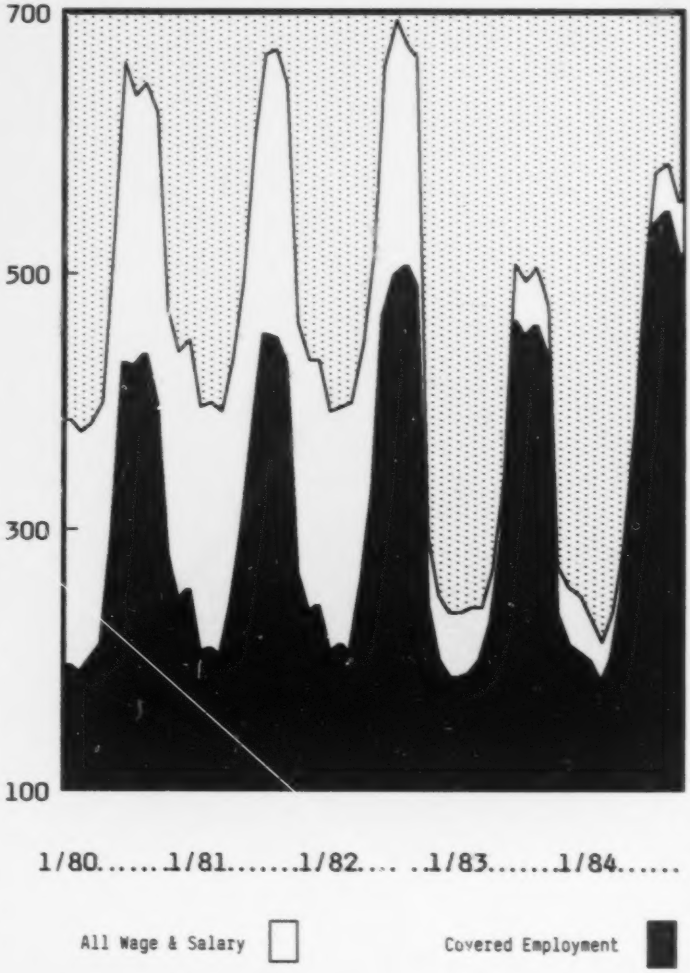


Table I
Skagway Census Subarea Employment by Industry
Annual Averages
1980-1983

Industry	**1980**	**1981**	**1982**	**1983**
Construction	*	*	*	*
Trans. Comm. & Utilities	67	70	75	78
Retail Trade	55	66	64	62
Finance-Ins. & Real Estate	10	11	12	11
Mining, Services & Misc.	69	66	67	56
Covered Agriculture	*	*	*	*
Federal Government	11	11	9	7
State Government	22	23	25	27
Local Government	57	47	51	48
Total	295	279	314	295
Noncovered 1/	203	202	153	45
Total with Noncovered	498	501	467	340
Noncovered % of Total	41%	40%	33%	13%

* Nondisclosable.
Totals may not add due to rounding.

Table II
Skagway Census Subarea Employment by Industry
January-September Averages
1980-1984

Industry	**1980**	**1981**	**1982**	**1983**	**1984**
Construction	*	*	*	*	*
Trans. Comm. & Utilities	67	77	83	87	80
Retail Trade	57	71	72	70	81
Finance-Ins. & Real Estate	10	11	13	11	10
Mining, Services & Misc.	80	76	80	65	74
Covered Agriculture	*	*	*	*	*
Federal Government	11	11	9	7	31
State Government	21	23	26	27	33
Local Government	56	45	53	47	46
Total	307	317	350	320	356
Noncovered 1/	206	204	187	46	40
Total with Noncovered	513	521	537	366	396
Noncovered % of Total	40%	40%	35%	13%	10%

* Nondisclosable.
Totals may not add due to rounding.

1/ Includes railroad related employment and other employment not covered by Alaska's Unemployment Insurance Act.

ployment has been suprisingly resilient since the railroad closure. The staples of the Skagway economy besides railroad employment are the transportation, communication and utilities industry; retail trade employment; services related employment; and local government employment. All four of these industries have managed to hold close to their 1981 levels through the first nine months of 1984, and with the exception of services, employment in these industries has slightly increased since that time, (see Table II).

Alaska's growing tourist industry helped bolster Skagway's economy during the past several years. Skagway has been the last stop for many of the cruise lines plying the Inside Passage as well as being the northern terminus for the Alaska Marine Highway. As such it is convenient jumping off point for tourists heading to the Yukon Territory or into Alaska's interior. The services and retail trade industries in particular are the benefactors of this growing tourism. This is reflected in the employment numbers in these two industries.

Government employment has also been a stablizing factor during the past several years. While the Skagway area has not been a large benefactor of recent growth in state employment, state, local and federal government employment have not been adversely affected by the railroad closure and have provided a base for year-round employment.

What the future holds for Skagway is a matter of conjecture at this time. However, given continued strong growth in tourism the worst is probably over for this historic Alaskan town. If world mineral prices rise and the Cyprus-Anvil mine should resume operations there is the possibility of the railroad reopening. There is also the possibility of the mine reopening based on the road between Whitehorse and Skagway being maintained on a year-round basis which would allow trucking of the ore instead of the old method of shipping by rail. While this probably would not benefit the economy of Skagway as much as reopening the railroad, it would provide additional economic stimulus to the community.

Table III
Skagway-Yakutat-Angoon Census Area Annual Average Unemployment
1980-1984

	1980	**1981**	**1982**	**1983**	**1984**
Skagway-Yakutat-Angoon	12.5%	14.0%	13.4%	20.2%	15.0%

See footnote center insert.

Nonagricultural Wage and Salary Employment
by Place of Work
Southeast Alaska

				Changes From:	
	P/ 3/85	**R/ 2/85**	**3/84**	**2/85**	**3/84**
Nonag. Wage & Salary	27850	27200	26850	650	1000
Construction	1250	1100	1500	150	-250
Manufacturing	2350	2050	2250	300	100
Food & Kindred Prod.	450	400	450	50	0
Lumber & Paper Prod.	1650	1400	1600	250	50
All Other Mfg.	250	250	200	0	50
Trans. Comm. & Utilities	1900	1850	1800	50	100
Trade	4600	4600	4150	0	450
Wholesale	400	400	350	0	50
Retail	4200	4200	3800	0	400
Finance-Ins. & R.E.	1100	1100	1000	0	100
Mining, Services & Misc.	4350	4400	4400	-50	-50
Government	12300	12100	11750	200	550
Federal	1950	1900	1950	50	0
State	5700	5600	5450	100	250
Local	4650	4600	4350	50	300

Hours and Earnings

By Kathleen Thomas

The Alaska article in this issue focuses on state government employment and its relationship to different areas and agencies. This article, using the same data source as the Alaska article, compares average monthly wages of the different departments and areas for February 1985 and July 1984. Average monthly wages are determined by dividing total monthly payroll by total monthly employment. February and July are used to compare the peak and trough of the usual activity cycle. It is anticipated that average monthly wages could vary even within state government employment as the season changes.

The departments with the largest increases in February average monthly wages are the Departments of Fish and Game and Natural Resources. This change could be anticipated since both of these departments have short, intense field seasons in the summer. Department of Fish and Game summer activities include research data collection, fish counting, fish and game management, fish ticket collection, permitting, and a multitude of other activities related to subsistence, sport, and commercial fish and game. Most of the activities involving the Department of Natural Resources are also summer related. The Department of Natural Resources is responsible for the management of State lands and has divisions responsible for agriculture, land and water management, forestry, mining, parks, and outdoor recreational, all predominantly summer activities. Since the field season is short, a bevy of technicians is hired to complete the data collection. The technicians are generally on a lower pay scale than the regular staff and would effectively lower the summer average monthly wage for these departments. After the departure of these summer employees, average monthly wages would increase.

Average monthly wages for the Department of Military Affairs increased 15% but only a percentage of the payroll is for full time employees, the rest is for bonus payments. Therefore, the average monthly wages do not accurately reflect the pay for the permanent employees. The other departments with larger percentage changes in average monthly employment are those with large numbers of seasonal employees or small organizations where a few position changes can offset the average salary.

The regional average monthly wages changed negligibly from July to February except in the Northern region, which increased 7%. The Northern region includes the Barrow-North Slope, Kobuk, and Nome census areas. In the summer the season is short

Table I
State Government Employment
Average Monthly Wages by Department
(In Dollars)

Department	July 1984	Feb. 1985	% Change
Legislative Audit	$3609.42	$3752.43	+4.0
Law	3617.20	3454.49	-4.5
Public Safety	3466.42	3401.42	-1.9
DOT/PF	3354.70	3274.87	-2.4
Legislative Finance	3425.61	3237.55	-5.5
Ombudsman	3097.95	3218.43	+3.9
Corrections	3092.25	3063.25	-0.9
Commerce	3038.13	3051.41	+0.4
Environmental Conservation	3017.98	3037.65	+0.7
Office of the Governor	2839.60	2946.24	+3.8
State Average	2894.37	2907.05	+0.4
Fish and Game	2739.51	2891.96	+5.6
Labor	2666.87	2738.43	+2.7
Community and Regional Affairs	2728.37	2729.58	0.0
Natural Resources	2423.83	2714.35	+12.0
Education	2612.93	2684.26	+2.7
Revenue	2511.07	2638.78	+5.1
Health and Social Services	2716.32	2633.73	-3.0
Legislative Affairs	2633.35	2631.62	0.0
Court System	2558.48	2559.33	0.0
Administration	2478.26	2520.37	+1.7
Military Affairs	1792.77	2059.51	+14.9

Table II
State Government Employment
Average Monthly Wages by Region
(In Dollars)

Region	July 1984	Feb. 1985	% Change
Northern	$3208.18	$3451.09	+7.6
Gulf Coast	3013.78	3066.37	+1.7
Interior	3177.50	3225.73	+1.5
Southeast	2833.25	2847.16	+0.5
Anchorage	2768.88	2781.92	+0.5
Southwest	3172.55	3139.24	-1.0

Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 3/85	R/ 2/85	3/84	P/ 3/85	R/ 2/85	3/84	P/ 3/85	R/ 2/85	3/84
Mining	22.81	24.58	23.31	50.8	52.9	51.3	11158.75	1300.28	1195.80
Contract Construction	23.11	24.21	24.62	46.2	40.7	40.7	1067.68	985.35	1002.03
Manufacturing	13.33	13.34	13.11	37.8	36.2	41.7	503.87	482.91	546.69
Food & Kindred Prod.	8.85	8.99	8.22	35.7	33.6	42.4	315.95	302.06	348.53
Lumber & Paper Prod.	15.94	16.49	17.32	37.3	35.0	41.1	594.56	577.15	711.85
Trans. Comm. & Utilities	15.98	15.69	15.44	34.0	34.0	36.8	543.32	533.46	568.19
Trade	10.95	11.08	10.34	34.1	34.1	34.7	373.40	377.83	358.80
Wholesale	12.56	12.34	11.97	37.3	38.4	37.2	468.49	473.86	445.28
Retail	10.25	10.53	9.62	32.9	32.5	33.7	337.23	342.23	324.19
Finance-Ins. & R.E.	—	—	—	—	—	—	429.36	410.52	360.85

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

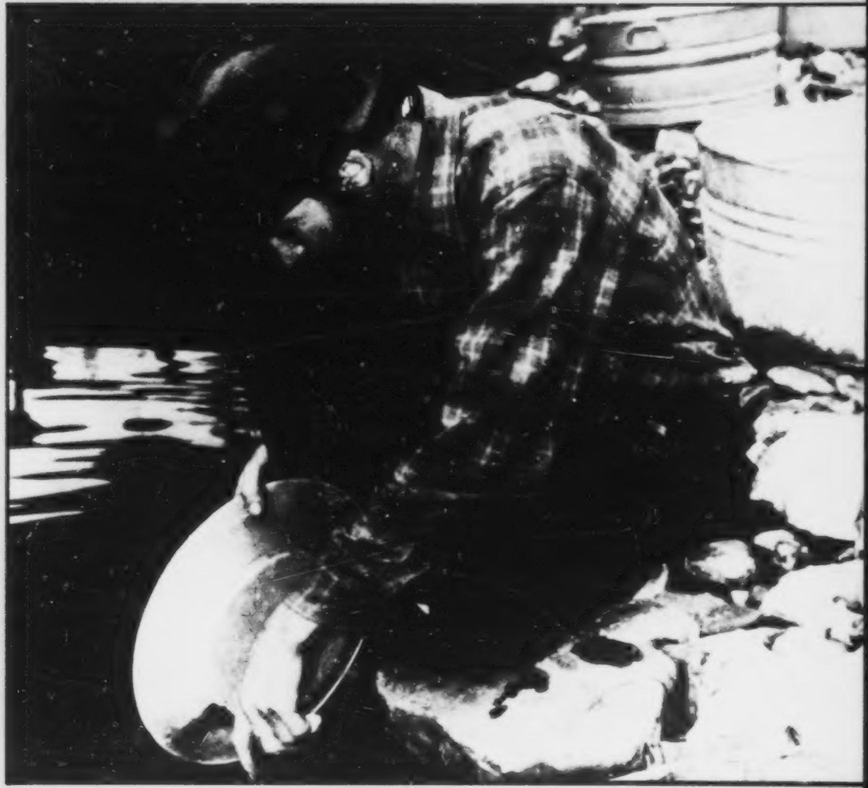
and intense thereby leading to an influx of lower paid employees to accomplish the necessary tasks in anticipation of the long winter.

Other than the few changes greater than 5%, average monthly wages in the State of Alaska are remarkably stable throughout the year, both by department and by area.

JUNE 1985

ALASKA ECONOMIC TRENDS

Alaska Department of Labor   Bill Sheffield, Governor, State of Alaska



1 Alaska's Mining Industry

Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

June 1985
Volume 5
Issue 6

Contents

Alaska's Mining Industry 1

Alaska-*State Expenditures* 13
Anchorage/MatSu-*April Employment and Unemployment* . 18
Fairbanks/Interior-*Government's Role* 22
Gulf Coast-*The Gulf Coast Fishery* 26
Southeast Alaska-*Southeast Construction Employment* 29
Hours and Earnings-*1984 Indices* 32

Labor Force by Region and Census Bureau . . . Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 1149, Juneau, Alaska 99802

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

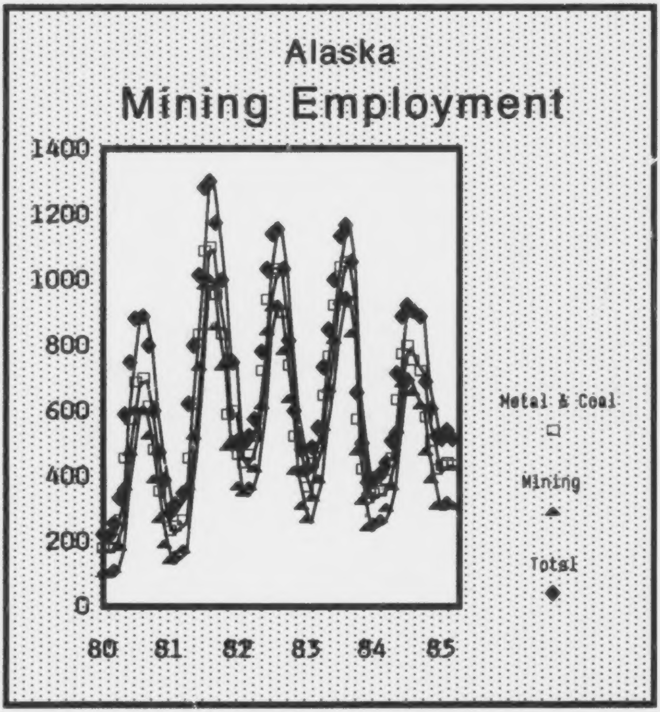
Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Alaska's Mining Industry

By Ed Eboch

One would assume from news reports of shrinking markets and depressed prices that the future of the mineral mining industry in Alaska, as well as the rest of the United States, is bleak. According to a forecast of lead and zinc prices, made to the Alaska Legislature by Stanford Research Institute, after continuing to drift lower these prices will be only slightly above current prices in real terms by the 1990's. With mineral prices at the lowest level in years mines are closing worldwide. Major oil companies have begun to divest themselves of their mineral mining operations. Mining employment in Alaska is down considerably from the levels or the past several years. Alaska mining companies are reducing their staffs or closing their Alaskan offices. Business-



Week (December 17, 1984) reported the death of mining in the United States. In spite of all the negative news about mining the long-term outlook for mining in Alaska is suprisingly positive.

Current mining employment hardly suggests the potential for mining in Alaska. In 1984 there was an annual average of 653 employees (excluding self employed, which would include a substantial number of placer miners) in mining in Alaska, down from 738 in 1983; 756 in 1982; and 798 in 1981. With coal mining and industrial mining (sand, gravel and other construction-related materials) up from previous years the decline in mining employment is entirely the result of drops in mineral mining employment (Table I). Oil and gas employment is excluded from this analysis.

The industrial mining sector will continue to expand as the population increases and the economy grows.

Even so, the potential for mineral mining in Alaska and the associated increases in employment is excellent in the long run (early to mid 1990's). There are currently three major projects under development that should come into production with improved mineral prices. At least two of the mining ventures appear to be profitable at current prices, although the rate of return is not attractive. The Greens Creek Joint Venture in the Southeast Region would add 150 employees to mining employment at full production. The Red Dog project in the Northern Region of the state would add up to 420 employees and the Quartz Hill project in the Southeast would add 700 to 900 employees. Other potential mineral mining and coal projects could add hundreds of additional employees to mining employment.

The industrial mining sector (sand and gravel plus building materials) will continue to expand as the population increases and the economy grows. This sector will grow faster as economies of scale will make it possible to produce items locally that are now being imported. Coal mining also offers potential for expanded operation as well as additional coal mines being brought into production. In addition, a like number of indirect employees would be added to industries in support of these mining operations and to provide service to the employees of the mines.

The settlement of native land claims through the passage of the Alaska Native Claims Settlement Act (ANCSA) and the state land issues through the passage of Alaska's Statehood Act and the Alaska National Interest Lands Conservation Act (ANILCA) has cleared up much of the uncertainty about land available for mineral development. While questions still remain and land selection continues, the transfer of land from federal jurisdiction to state and private ownership should speed the development of mineral and coal resources when mineral prices become more favorable.

Surveys indicate nearly 300 mechanized placer mines producing gold in Alaska.

The benefits to Alaska's economy, besides increased employment, include a more diverse economy and a greater tax base. With the location of the potential mines spread around the state, especially in the less populated areas, the Alaska economy would have a more solid base for future development. Should all the potential mineral mining operations be developed it may then become attractive for the development of a mineral processing industry in Alaska. This would lead to a more integrated economy and a greater range of investment and employment choices. In the long run (ten years but certainly 20 years when oil and gas resources, even with additional discoveries, will be largely depleted) Alaska will be dependent on development of these mineral resources for a healthy economy.

There are currently few major producers of minerals in Alaska. The largest tin producer in the United States is Lost River Mining in Nome but the value of production was estimated at only $400,000 in 1984. Gold, coal, and sand and gravel are the only minerals of any significant value that are currently produced in Alaska. The value of gold produced in 1984 is estimated at $63 million. Coal production had an estimated value of $24 million in 1984. The total value of minerals is estimated at just under $200 million in 1984 (Table I).

Table I
Alaska
Reported Mineral Production
1982-1984

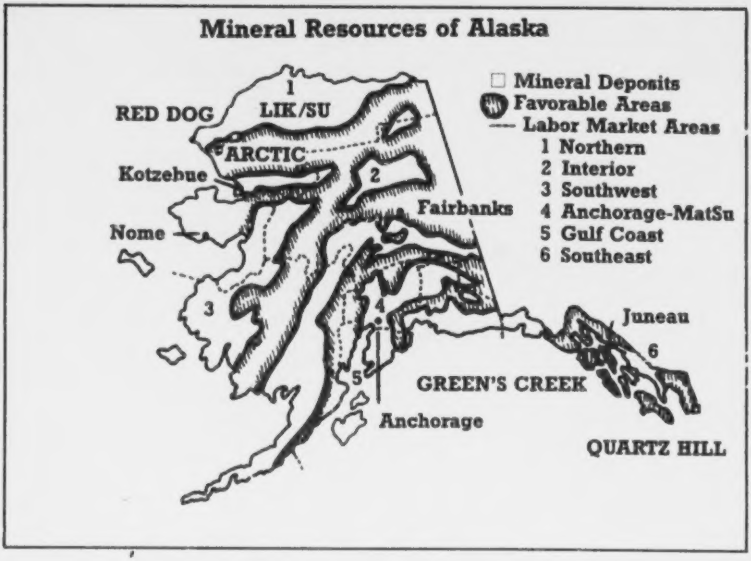
		Volume			Value (000's)	
Metals	**1982**	**1983**	**1984**	**1982**	**1983**	**1984**
Gold(oz)	174900	169000	175000	$69960	$67600	$63000
Antimony(lb)	—	22400	135000	—	25	225
Silver(oz)	22000	32200	20000	198	332	159
Tin(lb)	198000	215000	225000	1365	1100	400
Industrial Metals						
Sand & Gravel(mt)	45	50	27	91000	105000	95000
Crushed Stone(mt)	3.4	5.3	2.7	15600	20000	16000
Coal(ton)	830000	830000	849161	18000	18000	23755
Other				150	242	877
Total				$196423	$212399	$199437

Source: Alaska's Mineral Industry 1984, Alaska Office of Mineral Development & Alaska Division of Geological & Geophysical Surveys.

MINERAL PRODUCTION

Surveys indicate nearly 300 mechanized placer mines with an additional 40 recreational placers producing gold in Alaska. The greatest production is in the Eastern Interior Region where about one-half of the state's gold is produced. The next greatest production is from the Western Region which includes the Seward Peninsula. Alaska Gold Company operating out of Nome is the largest producer in the region. Small amounts of silver are produced around the state and occasionally metals of lesser value have been produced.

While mineral mining has little impact on Alaska's economy in terms of employment or tax revenues it offers the most potential, with possibly the exception of oil and gas, to make a major contribution in the future. Currently there are three projects that



Mineral Resources of Alaska

□ Mineral Deposits
▨ Favorable Areas
— Labor Market Areas
1 Northern
2 Interior
3 Southwest
4 Anchorage-MatSu
5 Gulf Coast
6 Southeast
RED DOG
LIK/SU
ARCTIC
Kotzebue
Nome
Fairbanks
Juneau
GREEN'S CREEK
Anchorage
QUARTZ HILL
1
2
3
4
5
6

are capable of being placed into production by the early 1990's if not sooner. These three, as well as other potential projects, will be discussed in some detail below.

Cominco-NANA Red Dog Project

The Red Dog project in the De Long Mountains of northwest Alaska, about 80 miles north of Kotzebue, has received the most attention recently because of a request for state assistance in construction of a road and port facility in support of the mine operation. As proposed, the state would be repaid its investment through user fees from the Red Dog Mine and other potential users in the area, where there are other attractive mineral deposits.

The Red Dog property is a world class zinc-lead-silver-barite deposit. The Red Dog deposit is owned by NANA Regional Corporation. The mine would be operated by Cominco Alaska Inc. The main deposit indicates reserves of 85 million tons of 17.1% zinc, 5.0% lead and 2.4 oz/ton of silver. Drilling has indicated additional reserves in the area with potential metal values. The project has progressed to the preliminary development stage with environmental, mine design, and overall mine feasibility under study.

While the success of the Red Dog mining venture is not dependent on state assistance, state support would send a positive signal to the mining industry. The Alaska State Legislature passed a bill that approved the necessary funding to allow the Alaska Industrial Development Authority to build and operate the desired port and road facilities if certain conditions are met, including a guarantee of repayment by Cominco of the costs should the mine not open.

Greens Creek Joint Venture

Knowledgeable professionals feel that the Greens Creek Joint Venture, located in a non-wilderness area in the Admiralty Island National Monument about 18 miles southwest of Juneau, will be the first of the major hard-rock mining projects to begin production. Passage of ANILCA in December of 1980 allowed development of the Greens Creek deposit. Reserves are estimated to be more than 4.0 million tons of ore with 10.3 oz/ton of silver, .09 oz/ton of gold, 6.4% zinc and 2.1% lead.

Current plans are to house the mine work force in Juneau with daily commutes to the mine site by ferry and bus. This project has particular significance to the Juneau economy at a time of declining state revenues and cutbacks in state employment and state contract employment. While the mine employment will be no substitute to the loss of state employment it would have the effect of softening any loss of employees due to state budget cuts and would offer local citizens employment alternatives.

Quartz Hill

The third mining project that should be in production by the 1990's is the U.S. Borax Quartz Hill project located in the Misty Fiords National Monument east of Ketchikan. With the passage of ANILCA the area surrounding Quartz Hill was given an exclusion from the wilderness classification allowing the project to continue. Reserves are estimated to exceed 1.5 billion tons of minable ore with .136% molybdenite with several hundred million tons of surface ore that grades at .2% molybdenite. Original plans were for this mine to be in production by 1987 but a continued low molybdemum price has resulted in a deferred schedule.

U.S. Borax has announced that workers will be housed in Ketchikan rather than at the mine site thereby minimizing the disturbance to the Misty Fiords National Monument. The development of this project will have a significant impact on Ketchikan because of the size of the work force (700 with the initial production rate of 40,000 tons/day and 900 with full production of 80,000 tons/day) and the expected life of the mine (55 years). A third basic industry (along with fishing and lumber) in Ketchikan means a more diverse economy both locally and statewide and greater opportunities for Alaska's Southeast residents.

OTHER MINERAL PROSPECTS

Northern Area

While these are the most prominent mineral deposits in Alaska they are by no means the only attractive prospects. The Lik deposit, 12 miles north of Red Dog, has estimated reserves of 24 million tons of ore that grade at 9% zinc, 3.1% lead and 1.4 oz/ton of silver. An extension of the Lik deposit north of the main deposit is yet to be evaluated but is considered potentially as good as the main deposit. Development of the Red Dog deposit enhances the prospects of the Lik deposit being developed. Also in this area is a joint venture involving the NANA Development Corporation and the Kennecott Corporation where exploration work has been done on the Husky claim group. This general area is considered attractive for other possible mineral deposits and additional exploration activity can be expected with the building by the state of the road and port.

To the east and south of this area, is the Ambler district where the Arctic deposit under development by Kennecott Corporation has indicated reserves of 35-40 million tons of ore with 4.0% copper, 5.5% zinc, .8% lead, 1.6 oz/ton of silver and .02 oz/ton of gold. Kennecott Corporation also holds several other prospects in this area. In addition assessment work has been done by Anaconda Minerals Company and its partner Sunshine Mining Company on several claims groups in the Ambler district including the Tom Tom and the Smucker prospects.

Also included in the northern labor market area is the highly mineralized Seward Peninsula and historic placer gold district. Besides the Lost River tin mine and approximately 35 placer mining operations, exploration and development work in the area has identified a load-tin prospect and numerous gold-placer prospects.

Interior Area

In the Interior labor market area about 50% of the state's total gold output is produced. There were approximately 40 medium to large mechanized mines and 80+ recreational ventures in the Circle Mining District near Fairbanks. Because of low base metal prices most of the exploration and development work in this region was for precious metals. However, interest was also shown in tin, tungsten and antimony. There are several attractive known deposits in the Interior Region including the copper, gold, and iron ore of the Zackly and Zackly extension of the south flank of the Alaska Range and the lead-zinc-copper-silver-gold deposits of the Delta Schist Belt of the east-central Alaska Range just south of the community of Tok. Closer to Fairbanks on the Ester Dome several companies have promising precious metal claims. The Grant Mine on Ester Dome is being equipped for production and is scheduled for production late this year. Further east in the Chandalar Mining District (eastern Brooks Range) there has been exploration and development work on gold lode and placer deposits where lode and placer production now occurs.

Southwest Area

In the Southwest labor market area exploration continues at the Goodnews Platinum mine at Goodnews Bay and assessment work continues on a gold-tungsten deposit in the Iditarod Mining District. In the past exploration activity has been heavy on Unga Island; located 550 miles west of Anchorage, where the old Apollo and Sitka gold mines were located, but with disappointing mineral prices activity was reduced considerably this past year. During the past several years major exploration companies have shown interest in base and precious metals on the Alaska Peninsula and other regions of the Southwest labor market area, but activity has been modest compared to other areas of the state.

Gulf Coast Area

One of the most intensively explored prospects in 1984 was the Johnson River copper-lead-zinc-silver-gold deposit on the west side of Cook Inlet in the Gulf Coast labor market area. This prospect is a joint venture between the Cook Inlet Regional Native Corporation and Anaconda Minerals Company and is located on Native land. An additional discovery six miles north of this area indicates additional gold-silver-lead deposits. It has the additional advantage of being close to tide water. Should the deposit be of a size to be commercial this prospect would have a very good possibility of coming into production in the early 1990's. Additional exploration activity in the Gulf Coast area includes several proposed offshore gold dredging operations in the Cook Inlet area.

Anchorage/MatSu Area

Another attractive deposit is the Coal Creek tin-silver-copper discovery near Hurricane Station in the Anchorage/Matanuska-Susitna labor market area. What appears to be a commercial deposit is near existing transportation systems, the Alaska Railroad and the Parks Highway. Numerous small scale operators conducted exploration in the area but no other major mineral exploration work is currently being undertaken.

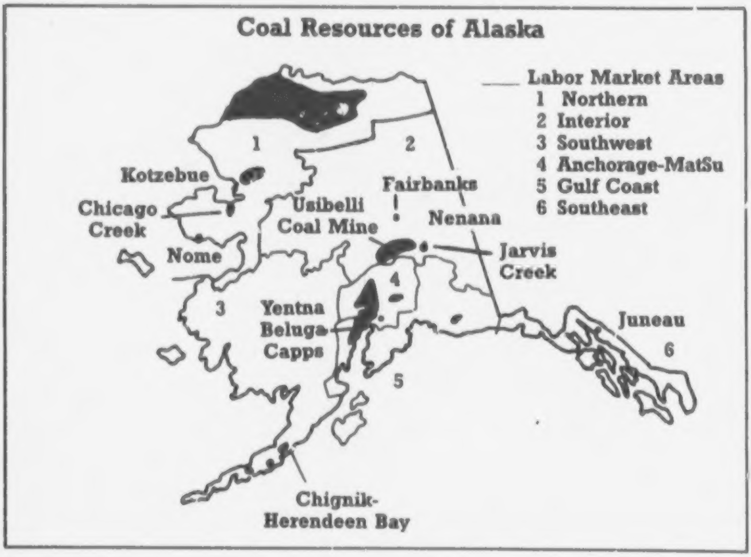
Southeast Area

With two of the three most likely mines to be brought into production in the near future the highly mineralized region of the Southeast labor market area offers the greatest potential to have a significant impact on Alaska's economy. Several old precious mines in this area are being explored for consideration of reopening. Several deposits of high-grade copper and zinc, which include precious metals, are being actively explored in the Haines/Skagway area. These include the Jarvis Glacier prospect and the Mt. Henry Clay area northwest of Haines (which has the same geological horizon and series as the Windy Craggy deposits which is 40 miles northwest of Mt. Henry Clay) where several different companies have actively done exploration work. Exploration for precious metals and base metals is going on throughout the Southeast from the Prince of Wales Island in the South to Petersburg/Wrangell area to Yakutat Bay area in the Northern Southeast labor market area. The Southeast could also be impacted by discoveries in the British Columbia and Yukon Territory of Canada. The Windy Craggy deposit which shows over 90 million tons of ore with 3.0% copper, 0.1% cobalt, and significant gold, silver and zinc would use Alaska waters for export of its concentrate should it come into production. Reopening of the Cyprus-Anvil Mine in Canada northeast of Skagway would mean a revived Skagway economy.

COAL RESOURCES

Although half of the estimated coal resources of the United States are in Alaska, the Usibelli Coal Mine near Healy is the only major operational coal mine in the state. There are a few small one and two-man operations supplying coal to local communities. Previous to the signing of a coal export agreement in late 1984 with Sun Eel Corporation, as purchaser for Korean Electric Power Company (KEPCO) of South Korea, all of the coal produced at the Usibelli mine was used in state. With this new agreement Usibilli expects to increase its production from 800,000 tons/year to over 1.6 million tons/year by the end of 1986. Exports of coal to Korea began in late 1984 from the Usibelli mine.

Coal resources are extensive in both the Northern region and the Gulf Coast-Anchorage/Matsu areas of the state. In the Gulf Coast-Anchorage/Matsu areas exploration drilling has been


Coal Resources of Alaska
Labor Market Areas
1 Northern
2 Interior
3 Southwest
4 Anchorage-MatSu
5 Gulf Coast
6 Southeast
1
2
Kotzebue
Fairbanks
Chicago Creek
Usibelli Coal Mine
Nenana
Nome
Jarvis Creek
4
3
Yentna
Beluga
Capps
Juneau
6
5
Chignik-Herendeen Bay

conducted in several fields while in the Northern area information on the extent of coal resources has been from petroleum well logs. There has been considerable exploration work done in the Beluga coal field in the past; and during this last year exploration in the Bering River coal field has been undertaken by a joint venture involving the Chugach Alaska Corporation (an Alaskan Regional Native corporation) and the Korean Alaska Development Corporation. These fields are near tide water that is free from ice year round With continued interest from Korea and other Pacific Rim nations to secure an alternative to dependency on oil it is only a matter of time until these resources will be developed.

INDUSTRIAL MINERALS

The value of industrial mineral production exceeded $100 million in 1984 as employment doubled. Statewide use of sand and gravel and building stone is concentrated in the North Slope oil fields and in the largest urban areas. With the decline in oil prices, oil companies are beginning to reevaluate their exploration and development plans for the next few years. With oil prices expected to continue to decline oil companies can be expected to reduce their efforts on the North Slope and other areas of the state.

Lower oil prices also mean lesser state revenues which translates into smaller capital construction budgets. While a large percent of funds for roads, ports and airports is federal funds, in most cases these federal funds require matching state funds. The combined impact of a slower oil industry and declining state revenues will mean a weak market for industrial minerals over the next few years. Real growth in this economic sector will not occur until a recovery of oil and/or mineral prices result in mine and oil field construction and an improved revenue picture for the state.

Conclusion

Alaska's mineral and coal resources are extensive. Several deposits are known to be world class and expectations are for additional discoveries to be in the world class range. While some costs in Alaska are a detriment to development, technological improvements in mining are offsetting these disadvantages. Alaska (and Western Canada) is a highly mineralized area that is still largely unexplored. While there are many known mineral deposits of commercial potential in Alaska much of the state has not had extensive geological and geophysical surveys. The Alaska Department of Geological and Geophysical Surveys has an on-going program to systematically survey Alaska's geology including minerals and construction materials.

There is evidence that State government appreciates and supports the need to begin development of these resources as oil prices and oil production declines. This is evident in the efforts to expedite the permitting process and in support of development of the Red Dog project. Given the cyclical nature of the mining industry and the time it takes to bring a mine into production now may be the most appropriate time for exploration and development. As mineral and coal resources are depleted at existing mines world wide it only becomes a matter of time until the Alaska discoveries will be developed. By concentrating on the short-term, opportunities in mineral and coal development may be missed.

For more detailed information refer to the following publications or contact the appropriate office:

Alaska Mineral Industry 1984, Special Report 38, Alaska Department of Commerce and Economic Development, Office of Mineral Development and Alaska Department of Natural Resources, Division of Geological and Geophysical Surveys, 1985.

Alaska's Resource Inventory 1984, Special Report 36, Department of Natural Resources, Division of Geological and Geophysical Surveys. 1984.

The Mineral Industry of Alaska, U.S. Bureau of Mines Mineral Yearbook. 1983.

Alaska

By Ed Eboch

State Expenditures

The Department of Labor, Research and Analysis section has received requests to update the 'Cash on the Street' model which was discussed in the September 1983 issue of *Alaska Economic Trends.* A regression model was developed using a measure of state expenditures referred to as 'Cash on the Street' (also including trend and seasonal dummies as explanatory variables) to explain changes in employment. In reviewing the model it was found that cash on the street or state expenditures explained less than 3% of the change in employment.

That 95% of the change in employment was explained by the trend and seasonal variables using this model is not surprising given that most work as a result of state expenditures is completed before the state disburses funds. There is a several week lag before state workers receive their paycheck. Construction projects receive payment for work completed or on a percentage of work completed. State expenditures would therefore lag direct employment created by state expenditures. They would however proceed some of the secondary and tertiary employment created by state expenditures but even here the support industries will respond to expectations so that much of this employment will proceed state expenditures.

Because of the small value of cash on the street as a predictor of employment it was decided not to use this model to forecast employment. In a situation of declining revenues, cash on the street may explain a greater percentage of change in employment, but the model would have to be continually rerun and would be successful in identifying changes in the direction of employment only after the fact.

That is not to say that knowledge of state expenditures would not be useful in business planning. To assist those people who would find this data valuable the State's current years expenditures to March 31, 1985 is published in Table I. Of more use however would be information about the State's future expenditures. This would require details about the State's 1987 budget which is beyond the capabilities of this publication. Copies of the State's budget are available at local libraries throughout the state shortly after the new state fiscal year begins in July.

The data in Table I and Table II is a cumulative total. It gives a measure of the importance of state expenditures and an idea of the timing and the various categories of expenditures. The personal services category includes salaries and benefits of state employees. Travel includes transportation, per diem and moving expenses of state employees or others that travel on state business. Besides costs for professional fees and services, the contractual category includes what is commonly referred to as overhead costs such as space expense, utilities, printing and equipment rentals. Commodities would include materials and supplies such as paper used in the daily operations of State government. Equipment includes not only office equipment but also shop, industrial and scientific equipment. Real property is expenditures for buildings and land or interest in lands as well as other properties. Assistance would include grants and awards to individuals and communities. For a more complete description, see the state budget documents.

Table I
State of Alaska
FY 85 Cumulative Disbursements
7/1/84-3/31/85
(In Thousands)

	Operating Budget		Capital Improvements	
As of	**Current Year Budget**	**Prior Year Budget***	**Current Year Budget**	**Prior Year Budget***
7/31/84	$155,238	$71,523	$127,384	$426
8/31/84	320,179	107,091	328,880	660
9/30/84	503,213	116,628	638,205	2,143
10/31/84	838.293	129,984	751,235	2,276
11/30/84	1,004,294	137,318	856,092	2,418
12/31/84	1,426,531	141,087	974.653	2,463
1/31/85	1,695,923	143,743	1,059,963	2,477
2/28/85	1,901,760	147,997	1,113,175	2,488
3/31/85	2,109,925	150,552	1,151,444	2,491

Table II
State of Alaska
FY 85 Expenditures by Category
7/1/84-3/31/85
(In Thousands)

	Operating Budget		Capital Budget	
Category	**Current Year Budget**	**Prior Year Budget***	**Current Year Budget**	**Prior Year Budget***
Personal Srvc.	$448,406	$25,202	$25,621	$116
Travel	17,709	2,629	2,628	5
Contract Srvc.	196,399	37,710	120,170	2,199
Commodities	36,044	7,729	4,451	13
Equipment	3,816	3,979	13,812	111
Real Property	10,823	698	450,814	46
Assistance	1,258,801	72,525	522,936	—
Misc.	137,911	41	—	—
Nonexpense Items	13	5	11,008	—

Operating Budget Disbursements FY 85 thru 3/31/85 = $2,260,448
Capital Budget Disbursements FY 85 thru 3/31/85 = $1,153,936

* After 6/30/1984

Source: Alaska Department of Revenue.

Nonagricultural Wage and Salary Employment
by Place of Work
Alaska

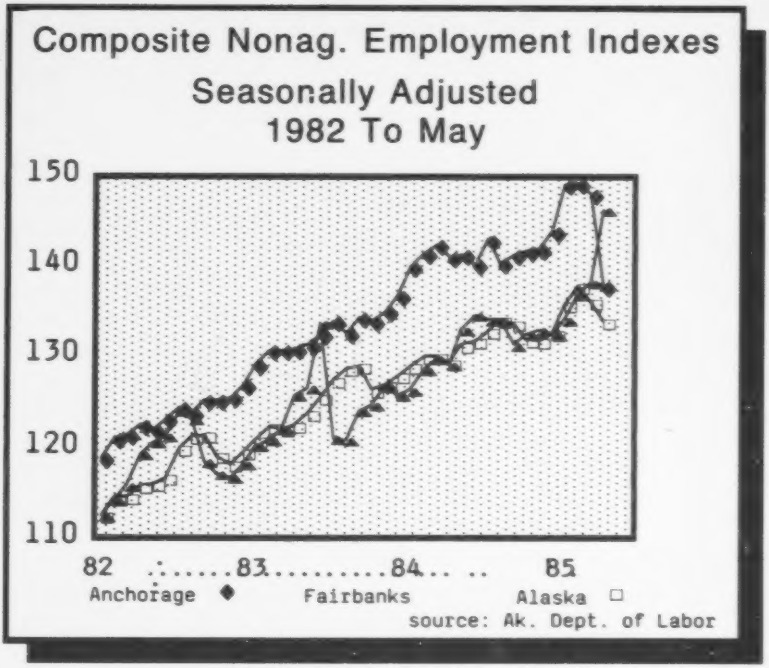
	P/	R/		Changes From:	
	4/85	**3/85**	**4/84**	**3/85**	**4/84**
Nonag. Wage & Salary	225700	222100	217700	3600	8000
Mining	9500	9600	8800	-100	700
Construction	16800	15700	18200	1100	-1400
Manuacturing	9400	8600	9200	800	200
Food & Kindred Prod.	3800	3400	3700	400	100
Lumber & Paper Prod.	2400	2100	2400	300	0
All Other Mfg.	3200	3100	3100	100	100
Trans. Comm. & Utilities	18300	18300	18400	0	-100
Trucking & Whseing	2200	2200	2100	0	100
Water Transportation	1100	1100	1200	0	-100
Air Transportation	6000	6000	6000	0	0
Other Trans. Comm. & Utilities	9000	9000	9100	0	-100
Trade	44700	43800	42500	900	2200
Wholesale	8900	8600	8400	300	500
Retail	35800	35200	34100	600	1700
Gen. Mer. & Apparel	5000	4900	4600	100	400
Food Stores	6000	5900	5400	100	600
Eating & Drinking Pl.	13100	12800	12200	300	900
Other Retail Trade	11700	11600	11900	100	-200
Finance-Ins. & R.E.	12800	12700	12100	100	700
Services & Misc.	44000	43700	42100	300	1900
Government	70200	69700	66400	500	3800
Federal	17600	17500	17900	100	-300
State	21100	21000	19600	100	1500
Local	31500	31200	28900	300	2600

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

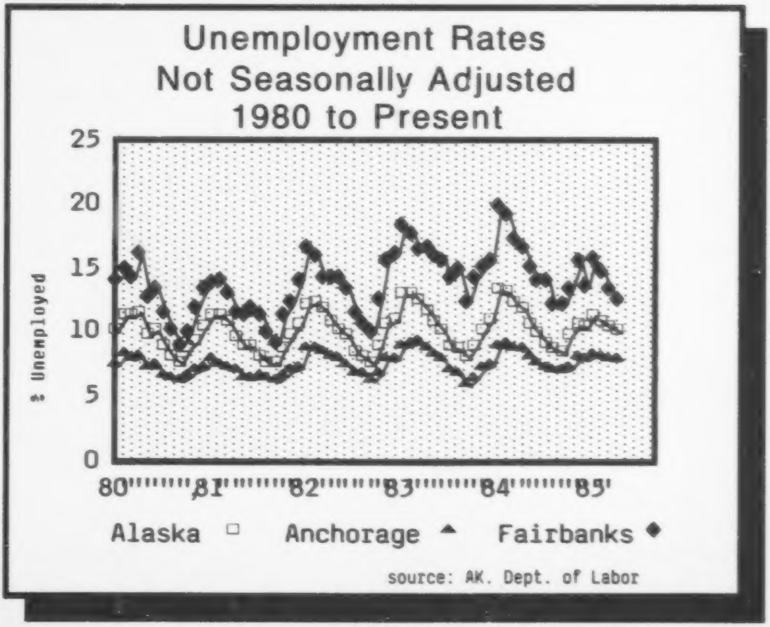
Benchmark Date March 1984.

P/ Denotes Preliminary Estimates
R/ Denotes Revised Estimates.



Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 To May

source: Ak. Dept. of Labor



Unemployment Rates
Not Seasonally Adjusted
1980 to Present

source: AK. Dept. of Labor

Anchorage/MatSu

By Greg Huff

April Employment and Unemployment

With the month of April comes the first major rebound in employment from the winter lull. Anchorage nonagricultural wage and salary employment grew in April by 1,650 jobs, an increase of 1.4%. However, the jump in employment this spring was not as great as last April due to lingering winter weather. This April was one of the coldest in history. However, compared to last year figures employment in April was up by 4,200 or 3.9%.

Two sectors showed atypical seasonal patterns for April—the trucking and warehousing sector and the general merchandise sector (large department and apparel stores) which experienced employment declines. Most industries showed yearly increases in employment except for construction, trucking and warehousing, general merchandise, air transportation and the federal government.

Both the trucking and warehousing industry and general merchandise stores are suffering from the impacts of highly competitive markets. The trucking and warehousing firms are not only highly competitive with each other but also must compete with the Alaska Railroad and the water transportation industry. Most of the goods shipped to Anchorage arrive at the Port of Anchorage or Seward in cargo containers, flats, or vans ready for distribution by truck or rail. Only a small percentage of goods are shipped by truck to the area via the Alaska Highway. According to 1985 Port of Anchorage statistics there has been less freight tonnage arriving at the port. The lower level of freight arriving at Alaska ports has increased competitive pressures and forced freight and moving firms to adjust employment levels downward and, in some cases, to drop out of the market altogether.

The number and types of retail establishments have increased dramatically during the last few years and have taken market share from the large general merchants. Another factor in the declining market share of the department stores is the growth of Northway Mall and Dimond Center which do not have a mer-

Nonagricultural Wage and Salary Employment
by Place of Work
Anchorage

				Changes From:	
	P/	R/			
	4/85	3/85	4/84	3/85	4/84
Nonag. Wage & Salary	113350	111700	109150	1650	4200
Mining	4250	4200	4050	50	200
Construction	8400	7850	8950	550	-550
Manufacturing	2500	2350	2350	150	150
Food & Kindred Prod.	350	350	350	0	0
Other Mfg.	2150	2000	2000	150	150
Trans. Comm. & Utilities	8900	8650	9000	250	-100
Trucking & Whseing	1100	1150	1150	-50	-50
Water Transportation	350	350	350	0	0
Air Transportation	3500	3350	3750	150	-250
Other Trans. Comm. & Utilities	3950	3800	3750	150	200
Trade	27700	27350	26000	350	1700
Wholesale	6850	6650	6450	200	400
Retail	20850	20700	19550	150	1300
Gen. Merchandise	1450	1500	1550	-50	-100
Food Stores	3150	3050	2700	100	450
Eating & Drinking Pl.	8200	8200	7500	0	700
Other Retail Trade	8050	7950	7800	100	250
Finance-Ins. & R.E.	8800	8800	8400	0	400
Services & Misc.	26300	26250	24850	50	1450
Government	26500	26250	25550	250	950
Federal	9650	9550	10000	100	-350
State	7400	7400	6800	0	600
Local	9450	9300	8750	150	700

Nonagricultural Wage and Salary Employment
by Place of Work
Anchorage-MatSu

				Changes From:	
	P/	R/			
	4/85	3/85	4/84	3/85	4/84
Nonag. Wage & Salary	120800	118950	114900	1850	5900
Mining	4250	4200	4050	50	200
Construction	9150	8450	9850	700	-700
Manufacturing	2650	2450	2450	200	200
Trans. Comm. & Utilities	9550	9350	9500	200	50
Trade	29400	29050	27350	350	2050
Finance-Ins. & R.E.	9300	9300	8450	0	850
Services & Misc.	27700	27600	25800	100	1900
Government	28800	28550	27450	250	1350

chant classified as a department store but have stores classified as miscellaneous retail or apparel. These malls have grown faster than the malls or shopping areas that contain large stores classified as department stores. The decline in market share has forced the large department stores to lower employment levels.

Construction employment has fallen below last year's levels, primarily because of the declining activity in residential building construction. Air transportation employment still reflects the Wien layoffs; and the over the year decline in federal government employment was a result of the transfer of the Alaska Railroad from federal ownership to state ownership.

Good news was contained in the unemployment rate for Anchorage. Not only did the rate fall in April due to the seasonal upturn in employment, but for the fourth month in a row the unemployment rate has registered lower than the corresponding rate for 1984. This is good news for job seekers despite the fact that the creation of new jobs has slowed compared to last year. The key factor here appears to be the slowing of in-migration of workers into the Anchorage labor force.

1st Quarter Employment

The growth in employment for April was not as strong as the growth experienced during the first three months of 1985. Employment for the first quarter was 5.6% above year-ago levels which equates to an average 5,900 jobs (see Table I). Most noteworthy is the growth in the mining; finance, insurance and real estate industries (F.I.R.E.); food stores; and state government. The mining (oil and gas) industry has grown considerably despite falling oil prices and reorganization of some firms. Employment growth in the F.I.R.E. industry is based in the financial and insurance sectors with employment in real estate holding its own. State government employment increased from the previous year mainly due to the transfer of the Alaska Railroad.

Labor Force by Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 4/85	R/ 3/85	4/84	P/ 4/85	R/ 3/85	4/84	P/ 4/85	R/ 3/83	4/84	P/ 4/84	R/ 3/85	4/84
Alaska Statewide	254104	251034	241012	25461	25707	27599	10.0	10.2	11.5	228643	225327	213413
Anch.-MatSu Region	137070	136372	128108	11872	11936	11483	8.7	8.8	9.0	125198	124436	116625
Anchorage Borough	122290	121611	114553	9417	9425	9409	7.7	7.8	8.2	112873	112186	105144
MatSu Borough	14780	14761	13555	2455	2511	2074	16.6	17.0	15.3	12325	12250	11481
Gulf Coast Region	26185	25599	24817	3827	3693	3805	14.6	14.4	15.3	22358	21906	21012
Kenai Peninsula Bor	16258	15852	15394	2614	2484	2572	16.1	15.7	16.7	13644	13368	12822
Kodiak Island Bor	6023	5921	5580	742	746	617	12.3	12.6	11.1	5281	5175	4963
Valdez-Cordova	3904	3826	3843	471	463	616	12.1	12.1	16.0	3433	3363	3227
Interior Region	37881	37293	36064	4655	4847	5301	12.3	13.0	14.7	33226	32446	30763
Fairbanks North Star Borough	30651	30199	29146	3806	3985	4292	12.4	13.2	14.7	26845	26214	24854
Southeast Fairbanks	3006	2966	2847	303	326	344	10.1	11.0	12.1	2703	2640	2503
Yukon-Koyukuk	4224	4128	4071	546	536	665	12.9	13.0	16.3	3678	3592	3406
Northern Region	9104	8620	8704	867	801	1289	9.5	9.3	14.8	8237	7819	7415
Kobuk	2853	2725	2803	268	271	476	9.4	9.9	17.0	2585	2454	2327
Nome	3857	3659	3704	409	387	600	10.6	10.6	16.2	3448	3272	3104
North Slope Borough	2394	2236	2197	190	143	213	7.9	6.4	9.7	2204	2093	1984
Southeast Region	32447	31918	32607	3200	3440	4542	9.9	10.8	13.9	29247	28478	28065
Haines Borough	1071	1052	1019	150	155	135	14.0	14.7	13.2	921	897	884
Juneau Borough	12383	12072	12098	1062	1050	1235	8.6	8.7	10.2	11321	11022	10863
Ketchikan Gateway Borough	6843	6782	7021	640	742	1069	9.4	10.9	15.2	6203	6040	5952
Prince of Wales-Outer Ketchikan	2425	2370	2475	317	318	452	13.1	13.4	18.3	2108	2052	2023
Sitka Borough	4028	3931	3962	293	294	378	7.3	7.5	9.5	3735	3637	3584
Skagway-Yakutat-Angoon	2095	2089	2070	348	387	393	16.6	18.5	19.0	1747	1702	1677
Wrangell-Petersburg	3602	3622	3962	390	494	880	10.8	13.6	22.2	3212	3128	3082
Southwest Region	11417	11232	10712	1040	990	1179	9.1	8.8	11.0	10377	10242	9533
Aleutian Islands	2689	2655	2567	89	89	178	3.3	3.4	6.9	2600	2566	2389
Bethel	4480	4403	4234	471	446	551	10.5	10.1	13.0	4009	3957	3683
Bristol Bay Borough	448	454	424	40	51	49	8.9	11.2	11.6	408	403	375
Dillingham	1908	1885	1754	188	187	174	9.9	9.9	9.9	1720	1698	1580
Wade Hampton	1892	1835	1733	252	217	227	13.3	11.8	13.1	1640	1618	1506

P/ = Preliminary R/ = Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor: because Alaska'a CPS sample size is incdequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Table I
Nonagricultural Wage and Salary Employment
(by Place of Work)
Anchorage
1st Qtr. 1984 and 1st Qtr. 1985

	1984 1st Qtr Average	1985 1st Qtr Average	Percent Change
Nonag. Wage & Salary	105600	111500	5.6%
Mining	3700	4167	12.6%
Construction	8033	7700	-4.1%
Manufacturing	2133	2267	6.2%
Food & Kindred Products	317	317	0.0%
Other Manufacturing	1817	1950	7.3%
Trans. Comm. & Utilities	8567	8700	1.6%
Trucking & Warehousing	1050	1167	11.1%
Water Transportation	300	350	16.7%
Air Transportation	3500	3333	-4.8%
Other Trans. Comm. & Utilities	3717	3850	3.6%
Trade	25433	27500	8.1%
Wholesale Trade	6233	6583	5.6%
Retail Trade	19200	20917	8.9%
Gen. Mer. & Apparel	1600	1583	-1.0%
Food Stores	2567	3083	20.1%
Eating & Drinking Places	7417	8233	11.0%
Other Retail Trade	7617	8017	5.3%
Finance-Ins. & Real Estate	8083	8700	7.6%
Services & Misc.	24567	26250	6.9%
Government	25083	26217	4.5%
Federal	9917	10133	2.2%
State	6533	6817	4.3%
Local	8633	9267	7.3%

Fairbanks/Interior

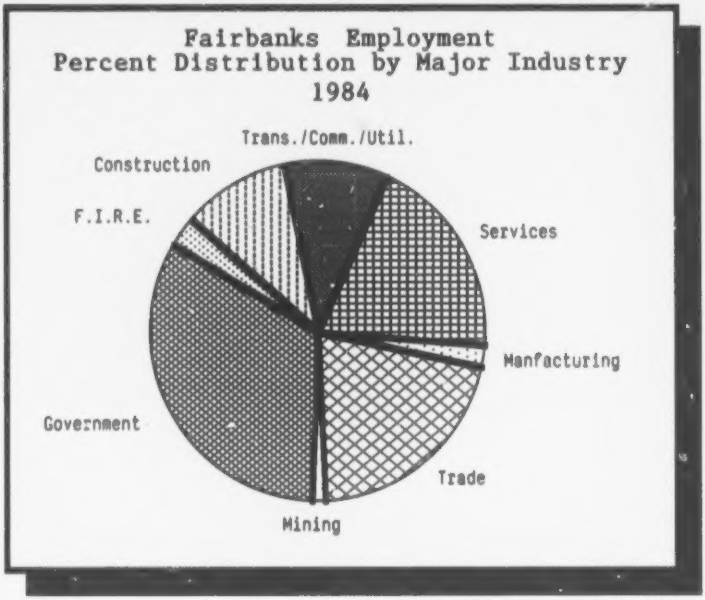
by Neal Fried

Government's Role in Fairbanks' Economy

According to the latest figures, one-third of Fairbanks' work force is employed by government. In 1984, government paid approximately $280 million in wages and salary, which represents 35% of Fairbanks' payroll income. Government remains Fairbanks' largest employer, though its share of the work force has been steadily shrinking. In 1970 44% of Fairbanks' workers were employed by federal, state or local governments, compared to 33% today. This has occurred because government, though growing, has been increasing slower than overall employment. During the past four years government's employment has climbed 21%, 10 percentage points less than total employment.

Government's share of total employment has fallen largely as a result of the development of Prudhoe Bay. This development has brought diversification to Fairbanks' economy. As a result, the private sector has expanded proportionately more than government. The discovery of oil did stimulate growth in government as record revenues began flowing into the state treasury. In some respects, this source of income has made government a more important basic employer than in the past. In the past, state and local government was largely funded with local taxpayer's dollars and operated more as a transfer of resources within the community's economy. Presently, local and state governments are heavily reliant on oil revenues. A large share of the funds needed to support state and local government activities now flows into Fairbanks from outside of the community. State income taxes no longer exist and the local tax burden has fallen in relationship to the services provided.

This has allowed residents to spend money, which otherwise would have gone to taxes, in the private sector of the economy. The secondary sector (trade and services) has been a major beneficiary . The rapid expansion in the secondary sector has resulted in a reduction of government's share of total employment. In the long run, government's reliance on oil revenues may mean that a decline in these revenues, and therefore a decline in government activity, could affect the economy more now than cuts in government might have in the past.



Fairbanks
Federal, State and Local Government
Percentage Share of Total Government
1984

Total Government	100.0%
Federal	29.8%
State	41.6%
Educational	24.8%
Noneducational	16.8%
Local	28.6%
Educational	17.4%
Noneducational	11.2%

Source: Alaska Department of Labor, Research and Analysis Section.

Federal Government

Over the past four years, federal government employment has grown by 21% in Fairbanks. Given federal budget cuts and

Nonagricultural Wage and Salary Employment by Place of Work Fairbanks

	P/ 4/85	R/ 3/85	4/84	Changes From: 3/85	4/84
Nonag. Wage & Salary	28200	27250	26650	950	1550
Mining	150	150	150	0	0
Construction	2650	2450	2150	200	500
Manufacturing	500	500	500	0	0
Trans. Comm. & Utilities	2800	2750	2750	50	50
Trucking & Whseing	450	450	400	0	50
Air Transportation	800	800	750	0	50
Other Trans. Comm. & Utilities	1550	1500	1600	50	-50
Trade	6050	5500	5650	550	400
Wholesale	1050	1050	1000	0	50
Retail	5000	4450	4650	550	350
Gen. Mer. & Apparel	550	500	550	50	0
Food Stores	800	800	700	0	100
Other Retail Trade	3650	3150	3400	500	250
Finance-Ins. & R.E.	950	900	950	50	0
Services & Misc.	5350	5300	5200	50	150
Government	9750	9700	9300	50	450
Federal	2700	2650	2700	50	0
State	4200	4250	3850	-50	350
Local	2850	2800	2750	50	100

Nonagricultural Wage and Salary Employment by Place of Work Interior

	P/ 4/85	R/ 3/85	4/84	Changes From: 3/85	4/84
Nonag. Wage & Salary	32550	31500	30750	1050	1800
Mining	250	250	250	0	0
Construction	2800	2550	2250	250	550
Manufacturing	550	500	500	50	50
Trans. Comm. & Utilities	3450	3400	3450	50	0
Trade	6450	5900	6000	550	450
Finance-Ins. & R.E.	1000	1000	1000	0	0
Services & Misc.	5800	5600	5550	200	250
Government	12250	12300	11750	-50	500

declining federal government employment nationwide, Fairbanks is certainly bucking the national trend. One reason is the military's large role in Fairbanks. Though uniformed military personnel are not included in these statistics, the military does employ large numbers of civilians. Their numbers have been climbing and are expected to continue to climb given the Army's plan to station additional troops in Fairbanks. Despite the federal sector's gains, it has lost a considerable percentage share of total employment. In 1970, 18% of the work force was employed by the Federal government, compared to 10% today.

State Government

State government employment has not quite kept up with the federal sector over the past four years. The University of Alaska and community college employees are part of the state count. The university's enrollment increased 24% since 1980 while community college enrollments have declined. State education employment has grown at a rate identical to enrollment growth at the university. The state's education employment is responsible for 60% of all state employment in Fairbanks. The large university population in Fairbanks is the reason why state government has a larger presence in Fairbanks than in the overall statewide economy. In Fairbanks the State employs 13.7% of the total work force versus 8.5% statewide. On the noneducational side of state employment, growth has been less rapid, only 13% in four years.

Local Government

Local government employment growth has out-paced all other levels of government in growth, largely in response to the recent Fairbanks population boom. The population has grown 29% since 1980 and local government employment has increased by 24%. Both noneducational and educational employment have climbed in excess of 22%, with local noneducational employment growing the most rapidly of all levels of government.

Though government's share of the work force has been shrinking, its role remains vitally important to Fairbanks' economy. It employs one-third of the area's work force and it provides a stabilizing element to an otherwise extremely seasonal economy. During poorer economic times, such as the post-pipeline construction slump, government also provides some durability to the local economy.

Gulf Coast

By Neal Fried

The Gulf Coast Fishery

The unemployment rates in the census areas of the Gulf Coast region remained in the double digit category in April. By early summer, however, unemployment rates will be falling quickly, in some cases to as low as 4 or 5%. The very low rates can be attributed to the frenzied salmon season; a short, economically action-packed, period of the year. Though salmon is by no means the only fishery in the region, its intensity and importance often overshadows all other fisheries. This has particularly been the case during the past three years which have been record salmon catch years, but dismal years for the shellfish harvest.

In the past, the tonnage of shellfish and salmon harvested was often close and for a number of years in the 1970s, shellfish tonnage actually exceeded salmon harvested. Beginning in 1981, the shellfish catch began a rapid decline, which has yet to come to an end. The king crab fishery simply crashed, the shrimp fishery declined, and this years tanner fishery is below par. During the past two years, Kodiak, the king crab center of the world, has not had a king crab season. How has this affected the employment picture?

For Kodiak, Cordova, and a number of the region's coastal communities heavily reliant on the fishing industry, it has meant economic hardship. In areas such as Kodiak, with strong year-round fisheries, many of the residents who could depend on steady work in the fishing industry in the past can no longer rely on this industry for their entire livelihood.

The annual fish processing employment numbers do not paint nearly as grim a picture (see Table I). During 1980, a good salmon and shellfish year, the fish processing employment numbers were only 10% higher than the 1984 levels. This is because the record salmon season of 1984 helped prop up the annual employment numbers. Employment during months that salmon are not harvested (January through May and October through December) fell 28%, providing a better indicator of the decline of the shellfish catch in the region. During the four salmon har-

Nonagricultural Wage and Salary Employment
by Place of Work
Gulf Coast

	P/	R/		Changes From:	
	4/85	3/85	4/84	3/85	4/84
Nonag. Wage & Salary	19150	18650	18400	500	750
Mining	750	800	700	-50	50
Construction	1500	1350	1550	150	-50
Manufacturing	2150	2050	2150	100	0
Food & Kindred Prod.	1450	1400	1500	50	-50
All Other Mfg.	700	650	650	50	50
Trans. Comm. & Utilities	2100	2100	2050	0	50
Trade	3350	3150	3100	200	250
Wholesale	450	400	450	50	0
Retail	2900	2750	2650	150	250
Finance-Ins. & R.E.	650	650	650	0	0
Services & Misc.	3150	3050	2950	100	200
Government	5500	5500	5250	0	250
Federal	450	450	500	0	-50
State	1650	1600	1550	50	100
Local	3400	3450	3200	-50	200

vesting months, there are more jobs in the fish processing industry than during the remaining eight months of the year.

Table I
Gulf Coast
Fish Processing Employment
Annual Average 1980-1984

1980	2855
1981	2889
1982	2565
1983	2539
1984	2595

The fish processing numbers tell only part of the story. There are no 1983-1984 fish harvesting employment statistics available yet, but the values of the harvest to the fishermen have been tabulated. In unadjusted dollars, the value of the region's entire shellfish and salmon harvest was $138 million in 1980 compared to $111 million in 1984. This loss of income has been felt in many of the region's communities in a much more dramatic way than the fish processing employment numbers indicate. This lower value has not only affected fishing employment directly, but also the fishing support industries. In communities such as Cordova and Kodiak, which are almost entirely dependent on the fishing industry, the loss of value in the shellfish catch has resulted in extremely sluggish economies even after the infusion of oil revenue dollars. Some of the loss of total fishery value to the fishermen has come from lower salmon prices received in recent years. However, most of this loss is attributed to the total value drop in the shellfish harvest. Although much of the remainder of the state has been basking in economic prosperity, these communities have at best been holding steady.

The salmon season will soon be upon us again, and the missing crab and shrimp may be temporarily forgotten. The 1985 salmon season is projected to be bountiful, which will help ease losses taken in other fisheries. The entire industry in the short-term will not grow and prosper until there is a recovery in the shellfish harvest. A good salmon season, however, could not have been better timed.

Southeast Alaska

By John Boucher

Southeast Construction Employment

Southeast Alaska nonagricultural wage and salary employment increased by 1,050 jobs in the month of April to 29,000. The increase meant that there were 3.8% more jobs in the Southeast Alaska economy than there were in March. In April of 1984 employment in the Souhteast region was 28,250. The increase of 750 jobs over last year represents a 2.7% increase in the number of jobs since April of 1984. The over-the-month increases were distributed throughout all industries but that was not the case with the over the year gain. Mining, services and miscellaneous employment was the only industry group to show a decline over the month and that was due to a somewhat unusual drop in the miscellaneous services category of employment. This category runs the gamut of service-oriented employment, from lawyers and accountants to day care and benevolent associations such as the Elk's Club.

The over the year numbers tend to shed more light on the Southeast economy than the month to month comparisons. Construction employment is gradually falling behind last year's pace as the residential market, particularly in the capital city, has slowed considerably from last summer. Commercial and heavy construction are also down somewhat from last year but not to the degree that the residential market has slowed. Projects such as the new mall in Ketchikan and the city related work in Juneau including the renovation of the downtown area, the parking garage and the rebuilding of Marine Park will keep employment in heavy construction respectable throughout the summer.

The question on the horizon is to what degree the state's much smaller capital budget will affect construction employment in the latter half of the summer and into next year. Some municipal projects, such as Juneau's area wide water system, were counting on the state to foot the bill for a large portion of the project funds for this construction season. Needless to say municipalities were disappointed by the slice of the capital budget pie that they were given to work with. Whether or not this will impact construction employment during this season is yet to be determined; however, intuitively one would expect it to have an

Nonagricultural Wage and Salary Employment
by Place of Work
Southeast Alaska

	P/	R/		Changes From:	
	4/85	**3/85**	**4/84**	**3/85**	**4/84**
Nonag. Wage & Salary	29000	27950	28250	1050	750
Construction	1400	1250	1750	150	-350
Manufacturing	3000	2400	2950	600	50
Food & Kindred Prod.	800	450	800	350	0
Lumber & Paper Prod.	1950	1700	1900	250	50
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2000	1900	1850	100	150
Trade	4700	4600	4300	100	400
Wholesale	400	350	350	50	50
Retail	4300	4250	3950	50	350
Finance-Ins. & R.E.	1050	1050	1000	0	50
Mining, Services & Misc.	4400	4450	4450	-50	-50
Government	12450	12300	11950	150	500
Federal	2000	1950	2050	50	-50
State	5800	5700	5650	100	150
Local	4650	4650	4250	0	400

effect. Juneau, for example, will probably explore alternative methods of funding its water system, but the result could be that funds previously earmarked for other projects will be redirected to the water system creating one type of construction employment at the expense of another.

Another method of funding these types of projects might be through some form of tax or a bond issue. However, this might not be any better for the overall employment picture. The distribution of the income of the community would be impacted by having more of their income directed into paying for a capital project, such as the water system, through taxation. Adverse effects on employment caused by this method of financing could manifest themselves anywhere in the economy, but most likely in the secondary industries of services and trade as the people of the community would have less to spend in the local economy than they did previously. At any rate, the overall impact of less state spending on construction will be less employment in one sector or another or, more likely, some combination thereof.

Southeast Unemployment

Unemployment in Southeast was a surprising 4.0 percentage points lower in April 1985 than it was in April 1984. This was the fourth month in a row that unemployment in the region was 2.5 percentage points or more lower than it was during the previous year. The reason for the dramatic improvement in the unemployment rate can be placed almost entirely on the improved performance of the wood products industry from one year ago.

Census divisions whose wood products sector were practically shut down one year ago are now enjoying much lower unemployment rates. In Ketchikan unemployment has improved from 15.2% to 9.4%. In the outlying Ketchikan area, which includes Prince of Wales Island, unemployment has dropped from 18.3% to 13.1%; and in the Wrangell-Petersburg area unemployment has been cut in half from last year, going from 22.2% to 10.8. While these figures are certainly something for these communities to cheer about, the trouble that the Southeast Alaska wood products industry has experienced is far from over. These same areas will most likely experience the pains of high unemployment again as the industry continues its struggle to retrench.

Hours and Earnings

By Kathleen Thomas

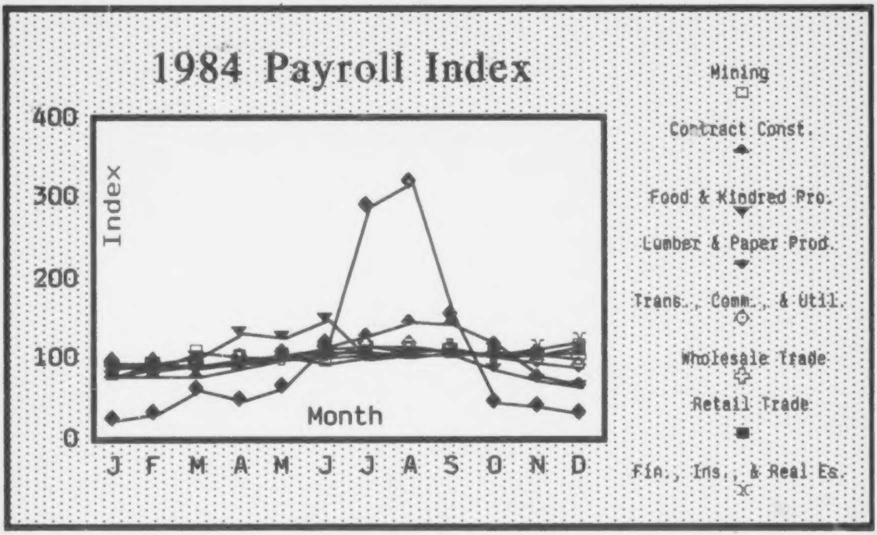
1984 Indices of Payroll and Workers' Hours

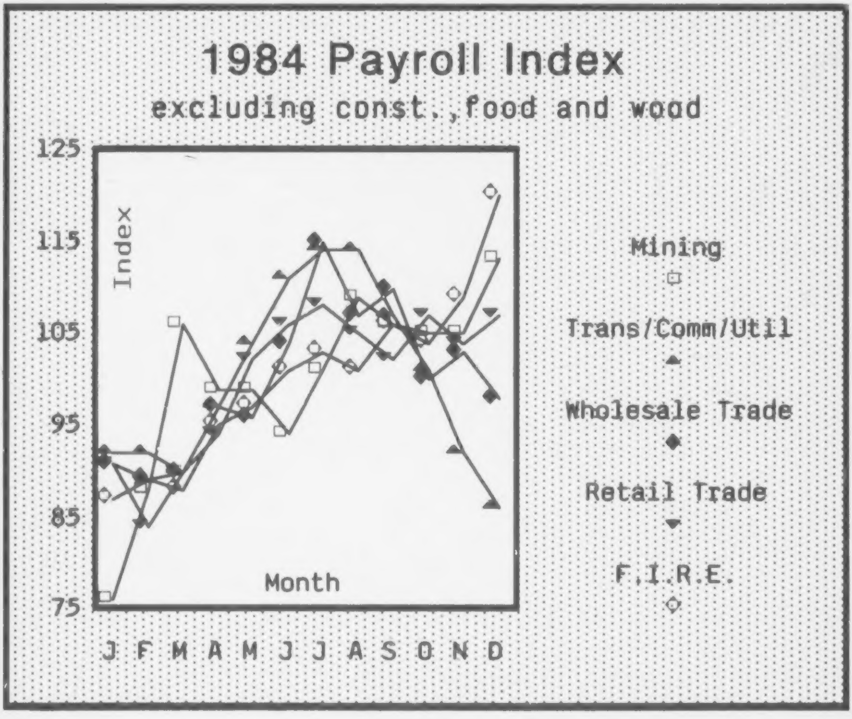
The U.S. Department of Labor, Bureau of Labor Statistics, prepares national indices of payroll and workers' hours. Using 1977 annual averages as the base period, indices are calculated for numerous industries. In some industries the indices date from 1947 providing a significant time series on payroll and workers' hours, though most industry indices date from the 1960's. Indices are being prepared for the State of Alaska dating from 1977 but are not available at this time. Rather, the most recent complete year's data, 1984, is analyzed as a separate entity by setting the 1984 annual average of each industry equal to 100. In this manner one year's cycle can be examined and the causes of variations within the year analyzed.

As an intermediate step in the preparation of state hours and earnings, total payroll and workers' hours are calculated. During the benchmarking process of hours and earnings, total payroll and workers' hours are calculated for each industry by month. The industry totals for each month are summed to give an annual total of payroll and workers' hours for that industry. By dividing this annual total by 12, an annual average can be obtained. This annual average for each industry is used as the base for each month. This calculation of indices for payroll and workers' hours is the method preferred by the Bureau of Labor Statistics.

In the determination of annual averages, mining will be used as an example. January's total payroll in mining is added to February's total payroll in mining which is summed with all subsequent months' total payroll in mining through December. This total payroll is divided by 12 to yield an annual average payroll in mining. The January total payroll is divided by the annual average and multiplied by 100 to obtain the payroll index for January in mining. The same technique is performed for each industry.

These indices measure changes in payroll and hours of production workers and non-supervisory workers. This is important for


1984 Payroll Index
400
300
200
100
0
Index
Month
J F M A M J J A S O N D
Mining
Contract Const.
Food & Kindred Pro.
Lumber & Paper Prod.
Trans., Comm., & Util.
Wholesale Trade
Retail Trade
Fin., Ins., & Real Es.


1984 Payroll Index
excluding const.,food and wood
125
115
105
95
85
75
Index
Month
J F M A M J J A S O N D
Mining
Trans/Comm/Util
Wholesale Trade
Retail Trade
F.I.R.E.

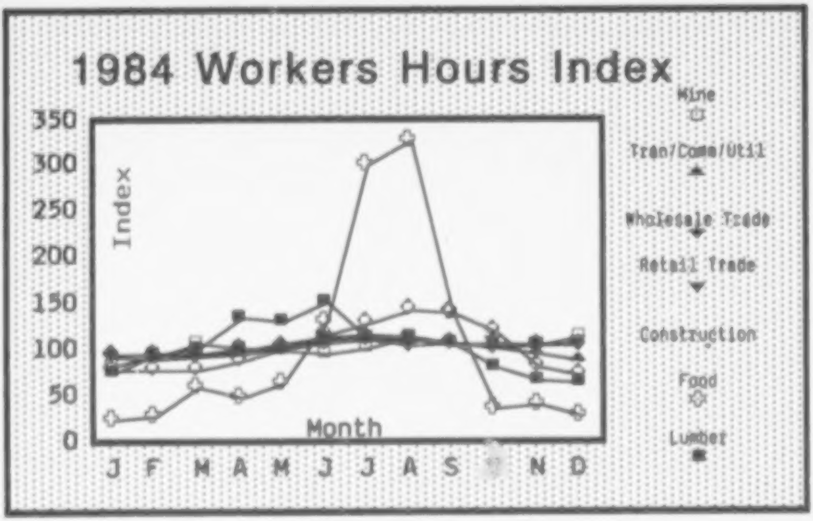
determining trends in wages and the work week and variations in seasonal effects among industries. Most industries in Alaska are tremendously cyclical. The majority have the typical cycle of increased activity in the summer and diminished activity in the winter. This cyclical effect is especially prevalent in the food and kindred products, lumber and paper products, and construction industries. To visualize the swings in average monthly payroll the indices are presented in the graph at the end of this article. Because the indices for these industries hide the cyclical nature of the average monthly payroll in other industries one graph is presented that includes all industries and one with these industries removed.

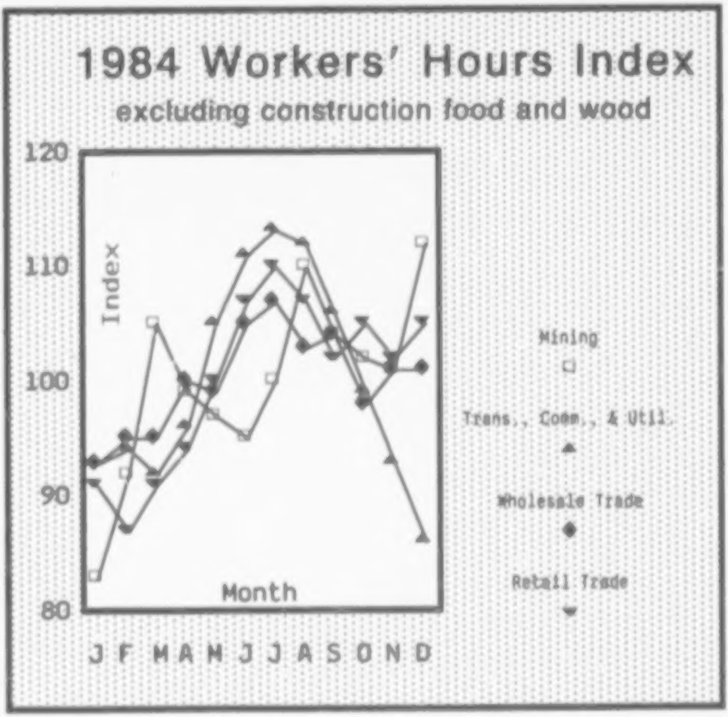
Food and kindred products far outstripped all other industries in disparity of high and low indices. The payroll index peaked in August with 317 and troughed in January with 23 (the average for all months equals 100.) A similar situation existed with the workers' hours index with the high in August of 326 and the low in January of 21. The salmon runs in the summer are responsible for the tremendous upsurge in summer payroll and workers hours since seafood processing is 90 to 95% of food and kindred products employment.

The 1984 lumber and paper products industry was increasing for the summer cycle in 1984 with a June payroll index of 148 until a strike hit one of the pulp mills and plummeted the payroll index to 98 in July. Payroll remained level through August and September but began to decline ending December at 63.

Construction is another industry whose cycle overwhelms movement in other industries. Its cycle is rather typical beginning with flat activity through March. At that point payroll begins to increase significantly to peak in August at 144. A slight decrease in September leads to a precipitous drop that continues through December. For both payroll and workers' hours, the December index is lower than January's. It is especially important since, for most cycles of this nature, January usually has the lowest index and the lower December index could signal a decline in construction activity in the upcoming year.

The transportation, communication, and utilities industry (TCPU) follows the cyclical pattern of peaks in the summer and troughs in the winter albeit at a smaller scale. TCPU is comprised of several categories some of which would be minimally affected


1984 Workers Hours Index
Index
350
300
250
200
150
100
50
0
Month
J
F
M
A
M
J
J
A
S
N
D
Mine
Tran/Comm/Util
Wholesale Trade
Retail Trade
Construction
Food
Lumber


1984 Workers' Hours Index
excluding construction food and wood
Index
120
110
100
90
80
Month
J
F
M
A
M
J
J
A
S
O
N
D
Mining
Trans., Comm., & Util.
Wholesale Trade
Retail Trade

by the seasons such as telephone companies, radio stations, cable television, and electrical associations. Other aspects of TCPU could easily be influenced by changes in construction and manufacturing industries, components like barge lines, stevedoring firms, airlines, travel services, and flying services. These components would cause an increase in workers' hours and payroll of TCPU employees, but the seasonal effects on those firms are dampened by firms experiencing no seasonal change thereby, leading to a summer increase of diminished amplitude.

Both payroll and workers' hours in mining peak twice during 1984 in March and August. Mining figures are heavily influenced by the high level of oil and gas activity which occurs in the northern portions of the state. In anticipation of the spring thaw and long days, a lot of oil and gas activity occurs in early spring. Equipment must be moved and in place before the thaw reduces accessibility to the drilling site. Once that occurs, activity moderates before increasing again in August in anticipation of the end of the season. Both indices also take a steep rise in December; but it is believed that the rise is a temporary aberration in the data and longer term analysis would see little increase in December.

Wholesale trade follows the trends in the construction and manufacturing industries since its components supply those industries. Wholesale trade includes construction material, plumbing and heating equipment, paint and varnish supplies, and transportation equipment. The heaviest activity in wholesale trade occurs in June and July when industries are procuring supplies for the summer season.

In retail trade February payroll and workers' hours both drop off following the flurry of the Christmas season and post Christmas sales. An influx of tourists would most likely alter the cycle of retail trade in the summer whether it is motor-home travelers and campers stocking up on food and supplies for a wilderness experience or a tourist off a cruise ship buying souvenirs to take home. Activity diminishes slightly after the summer before rising again for the fall school season. Activity again diminishes before it picks up for Christmas.

In Alaska all industries respond to the seasons in one way or another. The unusual nature of the climate and location in rela-

1984 Workers' Hours Index

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Mining	83	92	105	99	97	95	100	110	104	102	101	112
Contract Construction	77	77	77	86	98	114	125	142	139	118	79	69
Manufacturing	46	53	73	76	86	128	215	232	127	60	56	48
Food & Kindred Products	21	26	59	45	61	129	298	326	138	35	36	25
Lumber & Paper Prod.	72	93	98	133	129	149	107	109	105	79	65	61
Trans., Comm., & Util.	93	94	92	96	105	111	113	112	106	99	93	86
Trade	92	89	92	96	100	107	109	106	103	103	101	104
Wholesale Trade	93	95	95	100	99	105	107	103	104	98	101	101
Retail Trade	91	87	91	94	100	107	110	107	102	105	102	105

1984 Annual Average = 100

1984 Payroll Index

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Mining	76	88	106	99	99	94	101	109	106	105	105	113
Contract Construction	75	75	77	87	98	114	127	144	141	117	78	67
Manufacturing	57	63	78	88	95	123	174	191	130	77	66	58
Food & Kindred Products	23	28	58	46	62	117	287	317	150	43	39	29
Lumber & Paper Prod.	78	94	101	130	125	148	98	103	105	83	71	63
Trans., Comm., & Util.	92	92	90	97	104	111	114	114	107	101	92	86
Trade	91	86	90	95	100	105	110	106	105	105	103	104
Wholesale Trade	91	89	90	97	96	104	115	107	110	100	103	98
Retail Trade	91	84	90	94	102	106	108	105	102	107	104	107
Fin., Ins., & Real Es.*	87	89	88	95	97	101	103	101	106	104	109	120

1984 Annual Average = 100

* Not available for the Hours Index.

Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 4/85	R/ 3/85	4/84	P/ 4/85	R/ 3/85	4/84	P/ 4/85	R/ 3/85	4/84
Mining	23.31	23.36	23.31	51.1	51.7	50.0	1191.14	1207.71	1165.50
Contract Construction	23.65	24.19	24.58	41.4	44.4	40.9	979.11	1074.04	1005.32
Manufacturing	13.89	13.09	14.27	36.7	38.1	37.3	509.76	498.73	532.27
Food & Kindred Prod	9.15	8.63	8.44	32.2	36.5	28.2	294.63	315.00	238.01
Lumber & Paper Prod	16.77	16.14	16.47	38.9	37.0	46.2	652.35	597.18	760.91
Trans. Comm. & Utilities	14.61	15.29	15.77	36.7	36.7	37.1	536.19	561.14	585.07
Trade	11.64	11.06	10.52	33.8	33.7	35.4	393.43	372.72	372.41
Wholesale	13.35	12.84	12.25	38.6	37.3	38.5	515.31	478.93	471.63
Retail	10.85	10.28	9.73	32.0	32.4	34.1	347.20	333.07	331.79
Finance-Ins. & R.E.	—	—	—	—	—	—	441.25	418.21	378.77

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and non-supervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

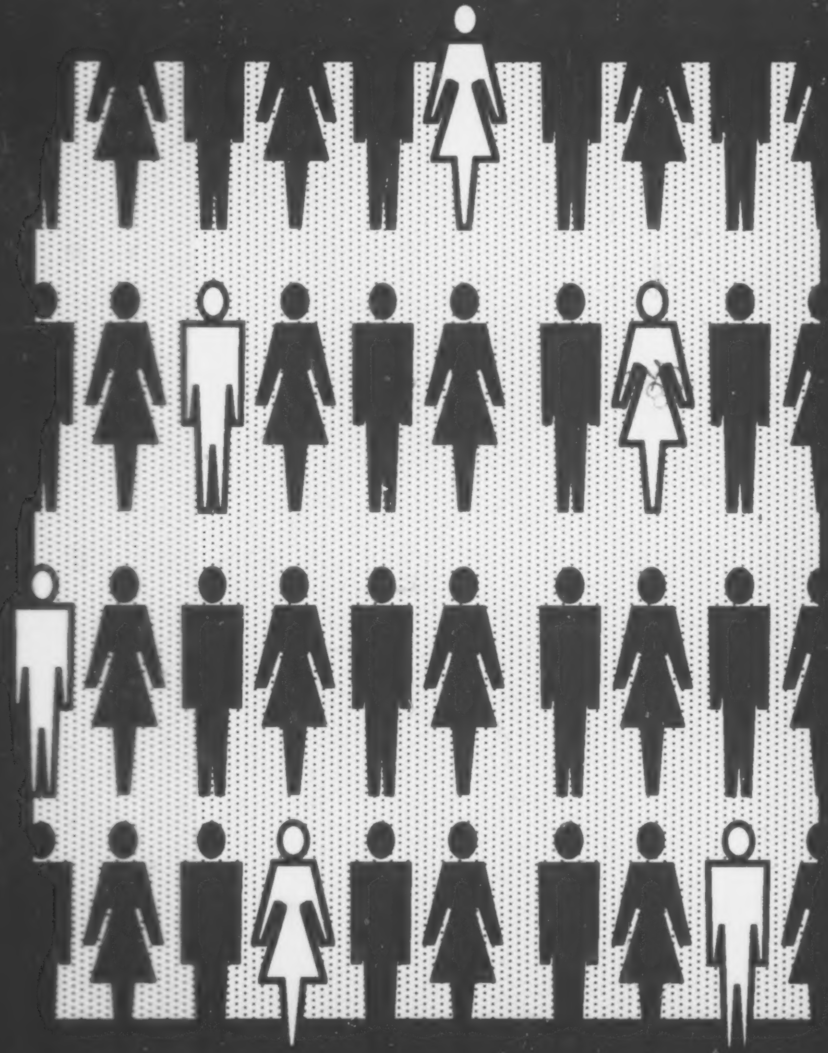
tion to the lower 48 results in its unique character. In some instances work proceeds through the weather, as in the Southeast where construction work continues despite the constant rain, a situation that would postpone a project in the lower 48. The longer daylight hours of summer allow for longer work shifts and the resulting increased payroll and workers' hours indices. The harsh northern winters prevent major outdoor construction or manufacturing work leading to decreased winter activity. Except for some variations the major trend will continue to be higher summer indices and lower winter indices.

JULY 1985

7/29/85 S0320-1

ALASKA ECONOMIC TRENDS

Alaska Department of Labor **Bill Sheffield, Governor, State of Alaska**



Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

July 1985
Volume 5
Issue 7

Contents

Hard-to-Fill Job Orders 1

Alaska-*Economic Outlook* 11
Anchorage/MatSu-*Wasilla Area Employment* 15
Fairbanks/Interior-*Fairbank's Employment Outlook* 19
Gulf Coast-*Present Employment Picture* 22
Southeast Alaska-*Employment Outlook* 24
Hours and Earnings-*Urban vs. Rural Monthly Wages* 26

Labor Force by Region and Census Area .....Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 25501, Juneau, Alaska 99802-5501

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Hard-to-Fill Job Orders

By John Van Houten

Supply and demand are two sides of occupational information. One source of such information is the Alaska Department of Labor's local Job Service offices throughout the state. As part of the Department of Labor's efforts to develop occupational supply and demand information the Job Service offices provide labor market information through a computerized network to be shared among the offices and utilized throughout Alaska. One of the elements reported is occupations for which Job Service offices have not been able to find qualified applicants for a period greater than 30 days.

Table 1 is a tabulation of hard to fill occupations from 17 of 19 Job Service offices during December 1984 through May 1985. Seventy-four (74) occupations are listed; eleven were reported as unable to be filled for more than 30 days by three or more offices. The hard-to-fill occupations included radiologic (x-ray) technicians, managers, plumbers/pipefitters, cooks, counter persons (parts supply), and electricians. Several of the hard-to-fill jobs were for specializations within an occupation or jobs requiring long experience, which indicates some employers are selective in their hiring practices and openings may go unfilled. Job orders for other occupations were hard to fill because the jobs were located in rural areas.

The total job openings for difficult-to-fill occupations comprised about 4% of the total job openings submitted to the Job Service offices. One should by no means infer that most of the openings were difficult to fill; the reverse is true in many cases. Reports from the Job Service offices were consistent in expressing an adequate supply of applicants in their respective localities for almost all job orders. Also, local supplies of applicants were anticipated to be sufficient for major projects scheduled in their respective areas for the remainder of 1985.

In addition to listing hard-to-fill job orders, the local Job Service offices have identified significant economic activities in their respective areas. The following are seasonal and other considerations which affect local area occupational demand. The following examples are the types of information that were available from your local Job Service office at the end of May and may not represent current circumstances.

CENTRAL REGION

Anchorage

- Commercial and industrial construction should be expanding in the summer following the slow start resulting from a late spring.
- Support positions such as bookkeepers, dispatchers, and payroll clerks will be needed as construction starts up.
- Construction wages are dropping $2-$3/hr. on employer's job orders.
- Summer tourism will result in demand for some hotel workers, but restaurants anticipate reduced turnover compared with the past.
- Administrative and technicial positions are very competitive; many qualified individuals are in the local labor pool.

Kenai

- The tourist season has begun and is expected to be equal to, or slightly stronger than, last year.
- Construction trades are starting and canneries are gearing up. The employment levels are anticipated to be about the same as last year.

Kodiak

- An administration building on the Coast Guard base will provide employment for carpenters and other trades.
- Fish processing employment should be good until September, but more transient workers appear to be in Kodiak than at the same time last year.

Mat-Su

- Construction start up is late this year because of cool weather and frozen ground. Unemployment is high and the many applicants in the area will result in lower wages and high competition.

Seward

- Cooks, waiters/waitresses, and bartender jobs are anticipated to increase as summer tourist traffic mounts. Local residents are sufficient to supply most of these labor needs except for some of the rural lodges and resorts.

CENTRAL REGION RURAL

Dillingham

- Numerous construction projects are scheduled for the summer including road paving, a fire substation, city jail, U.S. Post Office building, hospital expansion, a new school at Clark's Point, and airport runway repaving and improvements.

Glennallen

- The seafood processors in Valdez and Cordova will hire workers for salmon processing through June; it is anticipated that 200 more workers than are presently employed will be hired as the season progresses.

- The City of Valdez has been granted the first and only foreign trade zone in Alaska; this is expected to bring more employment to the area.

- Research and planning for an oil refinery in Valdez is going on; the project is being strongly backed by the City Council.

Homer

- Summer employment levels will increase dramatically, but there is always a surplus influx of seasonal transients which will cause a continued high unemployment rate.

NORTHERN REGION

Fairbanks

- Tourism and the related service industries are anticipated to show strength throughout the summer.

- Retail sales industry has increased dramatically and is increasing the demand for sales personnel.

SOUTHEAST REGION

Juneau

- Construction has slowed from the previous season.

Sitka

- Alaska Pulp Corporation plans to layoff of about 200 to 300 employees for an indefinite shutdown, effective June 28.

- The remodeling of Mt. Edgecumbe School is continuing with many workers hired from the Native minority. Work will continue on the project throughout the summer as reopening of the school is scheduled for this fall.

Persons interested in current information should call their local Job Service office. Table 2 is a list of the 20 Job Service offices.

Table 1
Alaska's Hard-to-Fill Job Openings
December 1984-May 1985

	Central Region					Central Region Rural					Northern Region				Southeast Region		
	Anchorage	Kenai	Kodiak	Mat-Su	Seward	Bethel	Dillingham	Glennallen	Homer	Unalaska	Fairbanks	Kotzebue	Nome	Tok	Juneau	Ketchikan	Sitka
Managers & Officers																	
Managers			X1/			X2/	X3/			X4/	X5/	X6/		X7/	X8/		X9/
Managers, Restaurant											X				X11/		
Professional & Technical																	
Accountants	X						X					X					X
Architects															X12/		
Charter Boat Operators															X12/		
Chemists		X	X														
Dental Assistants															X13/		
Dentists			X														
Drafters	X																
Electronic Technicians	X																
Engineers, Chemical																X	
Engineers, Civil																X14/	
Engineers, Mechanical																X	
Interpreter-Advocates							X15/										
Mortgage Loan Officers									X		X16/				X17/		
Nurses, Registered				X18/			X										
Opthalmic Assistants															X		
Opticians, Dispensing	X																
Physicians							X										
Pilots, Aircraft				X													
Planning & Zoning Assistants			X														

(Footnotes on page 8.)

Table 1
Alaska's Hard-to-Fill Job Openings
December 1984-May 1985
(Continued)

	Central Region					**Central Region Rural**					**Northern Region**				**Southeast Region**		
	Anchorage	**Kenai**	**Kodiak**	**Mat-Su**	**Seward**	**Bethel**	**Dillingham**	**Glennallen**	**Homer**	**Unalaska**	**Fairbanks**	**Kotzebue**	**Nome**	**Tok**	**Juneau**	**Ketchikan**	**Sitka**
Public Broadcasting Programmers									X								
Radiologic (X-ray) Technicians		X		X		X	X				X				X19/		
Social Workers							X20/				X21/						
Teachers			X22/		X23/	X24/	X25/						X26/				
Quality Control Assistants			X														
Ultrasound Technologists											X						
Services																	
Bakers	X																
Child Care Workers	X28/		X												X29/		
Cooks	X		X	X				X	X30/		X31/						
Fast Food Workers			X														
Hairstylists & Cosmetologists					X						X				X32/		
Housekeepers	X33/							X							X29/		
Restaurant Workers	X																
Seamstresses			X												X34/		
Security Guards	X																
Waiters & Waitresses								X			X						
Maintenance & Production																	
Appliance Repairers		X	X33/														
Auto Body Repairers	X																
Carpet Installers											X35/						
Derrick Hands	X										X						
Dragline Operators											X						

Electricians		X		X	X			X36/			
Flooring Tile Setters								X			
Furniture Upholsterers	X			X							
Goldsmiths	X										
Graphic Arts Assistants										X37/	
Heating Service Technicians	X										
Insulation Sprayers				X							
Iron Workers					X						
Locksmiths			X								
Mechanics, A&P				X38/							
Mechanics, Auto	X39/									X40/	
Millwrights					X					X	X
Office Machine Repairers	X		X								
Maintenance & Production											
Offset Press Operators	X										
Painters				X							
Plumbers & Pipefitters		X	X					X41/		X	X
Sawyers									X42/		
Stone Masons		X	X43/								
Supervisors								X44/			
TV Repairers				X							
Telephone Installers/Repairers						X					
Tire Repairers	X45/										
Typesetters	X										
Clerical											
Bookkeeping & Accounting Clerks	X46/			X47/							
Secretaries	X										
Secretaries, Legal	X						X				
Secretaries, Medical				X				X48/			
Typists	X49/							X50/			
Sales											
Cashiers	X										
Counter Person, Parts	X		X								
Sales Persons	X51/			X				X52/		X53/	
Travel Agents								X54/		X55/	

Footnotes

1. Commissary Store Manager
Executive Director, Council on Alcoholism
Tourism Director
2. Director, Tundra Women's Coalition
3. Community Health Services Director
Community Parent Education Coordinator
Construction Program Coordinator
Maternal Child Program Supervisor
Paug Vik Native Corporation Manager
Tribal Operations Coordinator
4. Crisis Intervention Program Coordinator
5. Assistant Controller, CPA and 2 or 3 years' experience
6. Director of Institutional Support Rural Activities
7. Truss Plant Manager
8. Bank Management Trainee with B.A. in Finance or related field
Patient Accounts Manager, 3 years' hospital office manager experience, or equivalent, with emphasis on credit and collection
Director of Development, minimum 2 years' public TV development beyond four year degree
9. Assistant Office Manager
10. Minimum experience 2 years
11. To be trained under the Emergency Veterans' Job Training Program for bartender, waiter, and bar manager
12. Five years' experience
13. Two years' experience in dental office
14. Five to ten years' experience in design or transportation
15. Yupik Interpreter-Advocate
16. Two years' experience closing mortgage loans
17. Twelve months' experience
18. Operating room manager
19. To work on a fill-in basis, licensed
20. Drug/Alcohol Abuse Prevention Specialist
21. Title V Position
Child Advocate II, B.A. in Early Childhood Development
22. Assistant Family Teacher
23. Music Instructor, woodwind and brass, part-time
24. Public Health Educator
25. Community Parent Education

Emergency Medical Services Trainer
Infant Learning Teacher
26. Human Services Teacher
27. For the salmon season
28. Day care and nursery school
29. Live-in
30. Live-in, remote lodge
31. Mexican style cooking, 3 years' experience
32. Holds or can receive Alaska license
33. Domestic
34. Part-time
35. Three years' experience
36. Licensed
37. Layout and paste-up experience
38. Air frame and power plant
39. Automotive and diesel engine
40. Front end
Foreign auto experience
41. Licensed
42. Sawing wood
43. Journeyman stone setter
44. Insulation
45. Tire repairer and tire studder
46. Experienced
47. Full charge
48. One years' experience
49. Type 50-65 wpm and word processing experience
50. IBM Display Writer experience
51. Commissioned
Microcomputer experience
52. Furniture
53. Advertising, with outside sales experience and creative writing skills
Knowledge of printing and graphics
Microcomputer experience
Sell greeting cards and gift wrap to retail stores
54. Six months' experience
55. Twelve months' airline or travel agency experience

Table 2
Alaska Job Service Offices

Anchorage Job Service
3301 Eagle Street-Suites 101-106
Anchorage, AK 99503
(907) 264-2631

Barrow Job Service
(Stevenson Street)
Box 525
Barrow, AK 99723
(907) 852-4500

Bethel Job Service
Box 187
Bethel, AK 99559
(907) 543-2210

Dillingham Job Service
Box 261
Dillingham, AK 99576
(907) 842-5579

Fairbanks Employment Center
(675 Seventh Avenue, Station D)
Pouch 1010
Fairbanks, AK 99707
(907) 452-1501

Glennallen Job Service
Box 145
Glennallen, AK 99588
(907) 822-3350

Homer Job Service
Box 2085
Homer, AK 99603
(907) 235-7791

Juneau Employment Center
212 Ferry Way
Juneau, AK 99801
(907) 586-1150

Kenai Employment Center
(110 Trading Bay Road)
Drawer 1091
Kenai, AK 99611
(907) 283-4304

Ketchikan Employment Center
(326 Dock Street)
Box 7878
Ketchikan, AK 99901
(907) 225-3181

Kodiak Employment Center
(309 Center Street)
Box 1546
Kodiak, AK 99615
(907) 486-3105

Kotzebue Job Service
Box 295
Kotzebue, AK 99752
(907) 442-3280

Mat-Su Employment Center
(1½ Mile Knik Road)
Pouch Z
Wasilla, AK 99687
(907) 376-2407

Nome Job Service
(Front Street)
Box 161
Nome, AK 99762
(907) 443-2626

Petersburg Job Service
(414 Main Street)
Box 389
Petersburg, AK 99833
(907) 772-3791

Seward Employment Center
(Municipal Bldg., Room 203)
Box 875
Seward, AK 99664
(907) 224-5276

Sitka Employment Center
304 Lake Street, Room 101
Sitka, AK 99835
(907) 747-3347

Tok Job Service
(Second Street)
Box 439
Tok, AK 99780
(907) 883-5629

Unalaska-Dutch Harbor Job Service
Box 554
Dutch Harbor, AK 99692
(907) 581-1580

Valdez Job Service*
Box 605
Valdez, AK 99686

* New office opens July 1, 1985.

Alaska

By Edward Eboch

Economic Outlook

Alaska's employment continues to show steady growth in light of all the concern about declines in state spending. Forecasts of the Alaska economy have been mixed from outright optimism to the sky is falling. An examination of the employment numbers suggests that the current year-to-year declines are concentrated in the construction and related industries. (The drop in government employment is a result of the University of Alaska semester ending previous to the sample week this year.) However, construction may receive a reprieve from the drop in employment previously anticipated with the scheduled construction of 300 housing units on Eielson Air Force Base near Fairbanks. Building materials for this project, enough to fill about 150 rail cars, arrived in Anchorage in early June. While this and previously planned North Slope oil projects will result in a healthy construction industry this year and next, it will fall far short of the employment levels seen over the last three years.

Declines in trade employment have been concentrated in construction related firms such as hardware stores, lumber yards and furniture stores. Water transportation and trucking and warehousing have also been affected by the decline in construction as employment in these industries experienced no gain from last year. The air transportation industry is going through restructuring nationwide as a result of deregulation, and Alaska is no exception. While airport employment is up from a year ago; consolidation, bankruptcies and other changes in the airline industry have resulted in declines in employment in the other segments of the airline industry.

One bright note is the year-to-year gains in manufacturing employment. After declines over the last two years, we are seeing gains in seafood processing employment as bottomfish activity has increased. A recently opened Kodiak surimi plant will provide year-round employment for 130 employees. (Surimi is a minced paste made from pollock.) This industry should continue to expand offsetting the declines in employment that result from the poor shellfish harvests of the past few years. This increase is especially important as a like increase in fish harvesting employment, which is not included in our nonagricultural wage and salary numbers, can be expected.

Concern has been indicated that Alaska's trade and service sectors have over expanded in anticipation of a rapidly growing population. Nineteen eighty-four Alaska population numbers have been revised downward by 2.8%. The July 1, 1984, population is now estimated to be 523,048 versus the preliminary forecast of 538,000. The July 1, 1983 estimate was also revised downward by a like percent. These new population estimates indicate a growth parallel to that of nonagricultural wage and salary employment from the 1980 census date. The employment estimates may be a better measure of economic growth since the actual employment numbers only lag employment estimates by approximately six months and the current monthly estimates take this new information into account.

Alaska
Population & Employment Growth

	1984	1980	Increase
Population /1	401,851	523,048	30.2%
Nonag. Wage & Salary Employment /2	171,073	224,956	31.5%

/1 The 1980 population numbers are from the April 1 1980 census, the 1984 numbers (revised 5/85) are estimated as of July 1,1984.

/2 The employment numbers are annual averages.

Conclusion

Nothing will replace the loss of state expenditures as tax dollars decline from lower oil prices; but the impact has been offset somewhat by gains in Alaska's manufacturing sector, military construction and oil company activity on the North Slope. Unless oil prices decline greater than the $1 to $3 dollars per barrel now being forecast, Alaska's economy should remain reasonably healthy although any employment gains over the next year will be slight.

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	P/	R/		Changes From:	
	5/85	4/85	5/84	4/85	5/84
Nonag. Wage & Salary	230700	225200	226700	5500	4000
Mining	9600	9600	9000	0	600
Construction	18800	16600	20600	2200	-1800
Manufacturing	11600	9400	10800	2200	800
Food & Kindred Prod	5600	3900	5000	1700	600
Lumber & Paper Prod	2700	2300	2600	400	100
All Other Mfg	3300	3200	3200	100	100
Trans. Comm. & Utilities	19200	18400	19400	800	-200
Trucking & Whseing	2300	2300	2400	0	-100
Water Transportation	1400	1100	1400	300	0
Air Transportation	6200	5900	6300	300	-100
Other Trans. Comm. & Utilities	9300	9100	9300	200	0
Trade	45200	44500	44300	700	900
Wholesale	8900	8800	8700	100	200
Retail	36300	35700	35600	600	700
Gen. Mer. & Apparel	5100	4900	4900	200	200
Food Stores	5900	6000	5700	-100	200
Eating & Drinking Pl	13500	13100	12800	400	700
Other Retail Trade	11800	700	12200	100	-400
Finance-Ins. & R.E.	12900	12800	12400	100	500
Services & Misc.	44300	44100	43000	200	1300
Government	69100	69800	67200	-700	1900
Federal	17400	17300	18300	100	-900
State	19800	21100	19400	-1300	400
Local	31900	31400	29500	500	2400

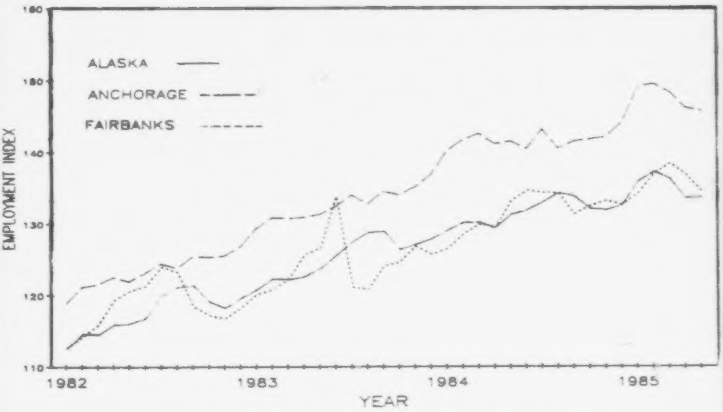
Prepared in cooperation with the U.S. Department of Labor Statistics.

Government includes teachers in primary and secondary school, and personnel employed by the University of Alaska.

Benchmark Date March 1984

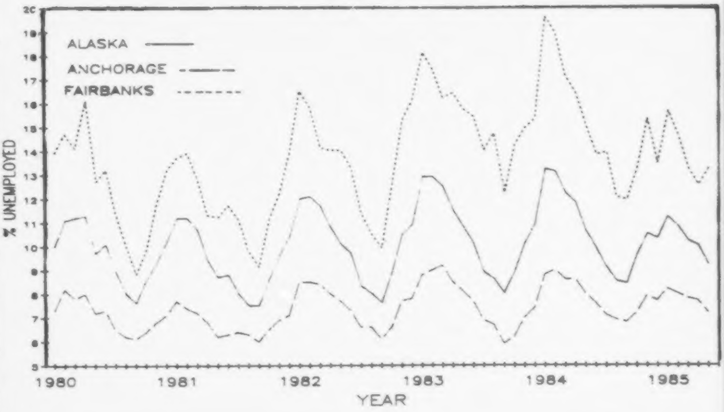
P/ Denotes preliminary estimates
R/ Denotes revised estimates

Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 To May



source: Ak. Dept. of Labor

Unemployment Rates
Not Seasonally Adjusted
1980 to Present



source: AK. Dept. of Labor

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 5/85	R/ 4/85	5/84	P/ 5/85	R/ 4/85	5/84	P/ 5/85	R/ 4/85	5/84	P/ 5/85	R/ 4/85	5/84
Alaska statewide	255250	253685	247607	23516	25461	25677	9.2	10.0	10.4	231734	228224	221930
Anch-Matsu Region	137255	136986	130889	11017	11872	10844	8.0	8.7	8.3	126238	12[illegible]	120045
Anchorage Borough	122592	122215	117239	8782	9418	9012	7.2	7.7	7.7	113810	112797	108227
MatSu Borough	14663	14771	13650	2235	2454	1832	15.2	16.6	13.4	12428	12317	11818
Gulf Coast Region	27291	26139	26217	3207	3828	3526	11.8	14.6	13.4	24084	22311	22691
Kenai Peninsula Bor	17018	16229	16289	2321	2614	2442	13.6	16.1	15.0	14697	13615	13847
Kodiak Island Bor	6255	6012	5907	566	742	547	9.0	12.3	9.3	5689	5270	5360
Valdez-Cordova	4018	3898	4021	320	472	537	8.0	12.1	13.4	3698	3426	3484
Interior Region	37746	37636	37699	4810	4654	5137	12.7	12.4	13.6	32936	32982	32562
Fairbanks North Star Borough	30649	30452	30505	4039	3805	4197	13.2	12.5	13.8	26610	26647	26308
Southeast Fairbanks	2948	2987	2968	268	303	319	9.1	10.1	10.7	2680	2684	2649
Yukon-Koyukuk	4149	4197	4226	503	546	621	12.1	13.0	14.7	3646	3651	3605
Northern Region	8617	9106	8371	750	866	1031	8.7	9.5	12.3	7867	8240	7340
Kobuk	2708	2854	2694	239	268	391	8.8	9.4	14.5	2469	2586	2303
Nome	3640	3858	3530	347	409	457	9.5	10.6	12.9	3293	3449	3073
North Slope Borough	2269	2394	2147	164	189	183	7.2	7.9	8.5	2105	2205	1964
Southeast Region	32903	32468	33008	2954	3200	3913	9.0	9.9	11.9	29949	29268	29095
Haines Borough	1055	1072	1025	112	150	109	10.6	14.0	10.6	943	922	916
Juneau Borough	12627	12391	12265	1033	1062	1002	8.2	8.6	8.2	11594	11329	11263
Ketchikan Gateway Borough	6970	6848	7095	618	640	924	8.9	9.3	13.0	6352	6208	6171
Prince of Wales-Outer Ketchikan	2458	2426	2504	300	317	407	12.2	13.1	16.3	2158	2109	2097
Sitka Borough	4098	4030	4231	274	293	516	6.7	7.3	12.2	3824	3737	3715
Skagway-Yakutat-Angoon	2041	2097	1999	252	348	261	12.3	16.6	13.1	1789	1749	1738
Wrangell-Petersburg	3654	3604	3889	365	390	694	10.0	10.8	17.8	3289	3214	3195
Southwest Region	11438	11350	11423	778	1041	1226	6.8	9.2	10.7	10660	10309	10197
Aleutian Islands	2736	2672	2721	65	89	166	2.4	3.3	6.1	2671	2583	2555
Bethel	4475	4455	4533	357	472	593	8.0	10.6	13.1	4118	3983	3940
Bristol Bay Borough	444	445	442	25	40	41	5.6	9.0	9.3	419	405	401
Dillingham	1911	1897	1870	144	188	180	7.5	9.9	9.6	1767	1709	1690
Wade Hampton	1872	1881	1857	187	252	246	10.0	13.4	13.2	1685	1629	1611

P/ Preliminary R/ Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska'a CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Anchorage/MatSu

By Greg Huff

Wasilla Area Employment

Each month nonagricultural wage and salary employment statistics are published for the Anchorage/MatSu region, but not for smaller geographic areas within the region. The conversion of the Department of Labor ES-202 data to the 1980 census areas has made it possible to view in much finer detail employment data from 1980 to 1984 for areas within the region. The Wasilla area will be examined this month. The area encompasses the communities of Wasilla, Big Lake, Goose Bay, Houston, Nancy, and Willow.

Several forces have shaped Wasilla into a unique economic entity and have made it the largest community within the Matanuska-Susitna Borough. The forces in its early years were construction of the Alaska Railroad and gold mining. The construction of the Parks highway in the early 1970s provided another opportunity for growth—tourism. The road connecting Wasilla and Anchorage also provided opportunities for Anchorage workers to reside in the Wasilla area and commute to work. The wave of Anchorage workers into the Wasilla area has been the most recent catalyst to rapid change and growth.

Wasilla's population increased from 1,559 to 3,510 over the 1980 to 1984 period, a 125% gain. Including the suburban areas outside the city limits the population is nearly four times that size. Wasilla has been the fastest growing city in the Borough and the state. In 1983 Wasilla's population exceeded Palmer's population to become the largest city in the MatSu Borough. Wasilla has a larger suburban population as well. The rapid expansion in population set into motion growth in employment (see table).

The Wasilla area's employment increased 233% from 1980 to 1984, twice as fast as the 104% employment growth in the Borough overall, which was the fastest growing borough in the state. During this period employment in Wasilla increased from 25% of total MatSu employment to 40% of the total. The number of firms increased from 155 to 439 while the number of employees per firm grew from 3.7 to 4.7. Total wages and salaries earned by Wasilla workers increased from $2 million to $10.8

million and average monthly wages rose from $1,162 to 1,734—an increase far ahead of inflation. During the past four years Wasilla has prospered more than most communities in the state. (Note: The wage and salary data does not include government employee's wages.)

The construction industry was a major beneficiary of the population boom. The sharp increase in population resulted in increased demand for housing, and retail and office space. These factors, combined with state-sponsored capital projects such as schools, fire houses, and roads resulted in local construction employment jumping from 71 jobs in 1980 to 599 in 1984 making it the fastest growing industry in the area. Note: This includes Wasilla based construction firms only. Anchorage or Palmer-based construction firms doing work in the Wasilla area will be counted in their respective areas.)

To support the needs of the growing number of residents the trade; services; finance, insurance, and real estate (FIRE); and utility sectors expanded their employment. Among these sectors FIRE, services, and trade grew the most rapidly. Employment in FIRE advanced 625%, services employment increased 301%, and trade employment grew 288%. FIRE employment, however, remains dwarfed by employment in trade and services industries. In 1984 trade alone accounted for 28% of total wage and salary jobs in Wasilla and 50% of the retail trade employment is directly related to feeding the residents at either food stores or restaurants. The food stores and restaurants industry is now dominated by franchise and large national or regional chains and competition has become increasingly fierce.

Services, ranging from personal services to business services and health care to lodging, account for 27% of the jobs in the area. Service firms tend to be small, employing an average of four people per establishment compared to over eight employees per firm in the retail sector. The government sector has also expanded in response to the demand for services. The vast majority of local government employment in Wasilla are concerned with education. The seven Wasilla area schools including one high school one junior high and five elementary schools employed approximately 370 positions in 1984 up 94% from 1980. State government employment is not detailed to the smaller geographical regions, but if State government in Wasilla behaved like the Borough as a whole growth was significant. State government borough-wide grew 62% from 1980 to 1984.

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

	P/ 5/85	R/ 4/85	5/84	Changes From: 4/85	Changes From: 5/84
Nonag. Wage & Salary	115200	113050	111850	2150	3350
Mining	4250	4250	4050	0	200
Construction	9850	8300	10100	1550	-250
Manufacturing	2650	2500	2450	150	200
Food & Kindred Prod.	450	350	400	100	50
Other Mfg.	2200	2150	2050	50	150
Trans. Comm. & Utilities	9250	8900	9550	350	-300
Trucking & Whseing.	1150	1100	1350	50	-200
Water Transportation	400	350	400	50	0
Air Transportation	3700	3500	3950	200	-250
Other Trans. Comm. & Utilities	4000	3950	3850	50	150
Trade	27750	27600	26450	150	1300
Wholesale	6700	6800	6500	-100	200
Retail	21050	20800	19950	250	1100
Gen. Mer. & Apparel	1500	1450	1550	50	-50
Food Stores	3050	3150	2800	-100	250
Eating & Drinking Pl.	8300	8150	7700	150	600
Other Retail Trade	8200	8050	7900	150	300
Finance-Ins. & R.E.	9050	8850	8600	200	450
Services & Misc.	26450	26300	25000	150	1450
Government	25950	26350	25650	-400	300
Federal	9600	9500	10100	100	-500
State	6900	7400	6700	-500	200
Local	9450	9450	8850	0	600

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

	P/ 5/85	R/ 4/85	5/84	Changes From: 4/85	Changes From: 5/84
Nonag. Wage & Salary	123200	120550	118300	2650	4900
Mining	4300	4300	4050	0	250
Construction	10700	9000	11150	1700	-450
Manufacturing	2850	2650	2600	200	250
Trans. Comm. & Utilities	9950	9550	10150	400	-200
Trade	29550	29300	28050	250	100
Finance-Ins. & R.E.	9550	9350	8700	200	850
Services & Misc.	27850	27750	26000	100	1850
Government	28450	28650	27600	-200	850

Wasilla Annual Average Employment & Wages

Industry	**1980 Annual Average**	**1981 Annual Average**	**1982 Annual Average**	**1983 Annual Average**	**1984 Annual Average**	**Percent Change 80-84**
Mining	2	18	14	11	8	400%
Construction	71	133	287	458	599	743%
Manufacturing	5	15	17	23	41	720%
Trans. Comm. & Utilities	32	37	42	53	55	72%
Trade	251	311	376	515	724	188%
Wholesale Trade	17	18	23	29	40	135%
Retail Trade	234	292	353	486	684	192%
FIRE	16	34	56	72	116	625%
Services	182	254	284	357	548	201%
Misc.	5	16	14	31	50	900%
Government	205	228	303	361	417	103%
Federal	6	10	13	9	28	366%
State	0	1	1	1	1	N/A
Local	199	218	289	351	388	95%
Total Nonag Employment	769	1046	1392	1880	2558	233%
Total Wages	$2,033,853	$3,390,343	$5,404,408	$7,608,645	$10,761,081	429%
Average Monthly Wage	$1,106	$1,330	$1,588	$1,611	$1,734	71%
Number of Firms	155	177	246	323	439	183%

N/A: Not Applicable.

Fairbanks/Interior

By Neal Fried

Fairbanks Employment Outlook

Now that we are halfway through the year, Fairbanks' employment picture is beginning to take shape for 1985. Though no big surprises are in the making, the local economy's dynamics are changing. Employment growth continues to slow, to a rate of 2 to 3% a far cry from the boom years of 1981-1982, when employment gains were in the 8 to 9% range. Most industries are still contributing to these gains, though a few are losing ground and others remain unchanged. One industry which led much of this growth over the past four years is moving into a more subdued phase. The construction industry with employment growth each year since 1981 appears to be leveling off in 1985.

The fourth quarter 1984 employment figures (*Statistical Quarterly* numbers), which just recently became available, indicate no employment growth over the corresponding quarter in 1983. This is the first quarter in four years that construction has not experienced growth over the corresponding period in the previous year. While this indicates some changes in the fortunes of this industry, 1985's season continues to be healthy. Public and commercial construction remain strong, and residential permit data for the first five months of this year is coming in slightly above year-ago levels. The 300 housing units being built on Eielson Air Force Base will further bolster the construction number.

The transportation, communication and utilities industry is the only industry where employment remains below year-ago levels. The Wien and Bendix (Gilmore Tracking Station) layoffs along with little or no growth from the industry's remaining sectors have kept employment below last year.

Trade and services remain the big contributors to the area's growth although no longer growing at the rapid rates of the past four years. Their growth is apparently catching up with demand, which at one time appeared to be insatiable. Nevertheless, these two industries, particularly trade, will continue to contribute the lion's share of the growth in employment through 1985.

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

				Changes From:	
	P/	R/			
	5/85	4/85	5/84	4/85	5/84
Nonag. Wage & Salary	28450	28100	28150	350	300
Mining	150	150	200	0	-50
Construction	2900	2650	2900	250	0
Manufacturing	550	550	500	0	50
Trans. Comm. & Utilities	2700	2800	2900	-100	-200
Trucking & Whseing	450	450	450	0	0
Air Transportation	750	800	800	-50	-50
Other Trans. Comm. & Utilities	1500	1550	1650	-50	-150
Trade	6150	6000	5900	150	250
Wholesale	1050	1050	1000	0	50
Retail	5100	4950	4900	150	200
Gen. Mer. & Apparel	550	550	550	0	0
Food Stores	800	800	700	0	100
Other Retail Trade	3750	3600	3650	150	100
Finance-Ins. & R.E.	950	950	950	0	0
Services & Misc.	5450	5350	5350	100	100
Government	9600	9650	9450	-50	150
Federal	2850	2650	2850	200	0
State	3900	4150	3800	-250	100
Local	2850	2850	2800	0	50

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

				Changes From:	
	P/	R/			
	5/85	4/85	5/84	4/85	5/84
Nonag. Wage & Salary	32650	32250	32800	400	-150
Mining	250	250	300	0	-50
Construction	3000	2750	3000	250	0
Manufacturing	550	550	550	0	0
Trans. Comm. & Utilities	3400	3400	3700	0	-300
Trade	6550	6400	6350	150	200
Finance-Ins. & R.E.	1000	1000	1050	0	-50
Services & Misc.	5800	5800	5650	0	150
Government	12100	12100	12200	0	-100

Thus far, government employment during 1985 has remained above year-ago levels. With the new state fiscal year and tighter budgets, this may change. State and local government budgets, including the University of Alaska, will be leaner and, in some cases, there may be layoffs. This may very well put a damper on this growth.

The Unemployment Picture

Nineteen eighty-five's labor force figures continue to manifest themselves in odd ways. During the past three years employment skyrocketed, yet the unemployment rate grew because the number of new job seekers was increasing even more rapidly. During the first five months of 1985, Fairbanks' unemployment rate has fallen below year-ago levels. Apparently with the improving economy nationwide and the slowing down of Alaska's economy, the number of new job seekers is falling off. Traditionally, the unemployment rate would rise with a slower economy, but this is not happening in Alaska. Alaska's labor markets are small and have a large transient component, giving rise to this aberration. In the long run, however, a slower economy could mean higher unemployment rates.

Gulf Coast

By Neal Fried

Gulf Coast's Present Employment Picture

In 1981 employment in Alaska began to surge ahead. This dramatic expansion continued for the next four years. The Gulf Coast area participated in the rapid expansion but not all communities fared equally well. The local economies of Kenai, Soldotna, and Homer followed suit. Others such as Valdez and Seward moved ahead, albeit sluggishly. Finally, communities such as Kodiak and Cordova either suffered some losses or recorded no gains. In balance, the region's winners made such rapid gains that they pulled the entire region's employment numbers upward.

In 1985 the State's rate of growth has slowed significantly. Some industries such as construction, which led the statewide growth during the early 1980's, are recording losses in employment in 1985. Is the Gulf Coast region following this pattern or can it buck this trend? Though the region's employment numbers remain strong, weaknesses similar to those currently affecting the rest of the state are being observed in the region.

May's wage and salary employment statistics indicate a more than respectable 5.6% growth over the previous year. Construction, however, remained flat. It appears this industry has peaked in the region. Residential construction activity has slowed from the 1984 level, as indicated by building permit data for the first four months of this year, which is 8% below year-ago levels. Commercial construction activity remains strong but is slowing from earlier levels and it appears public construction activity will follow this pattern.

The reasons for the present construction slowdown in the region are many; but basically, the supply of new housing and commercial space has caught up with the demand as population growth has slowed. Not all communities within the region fit this picture. For example, Seward's construction activity may not peak for another year or two because of the construction of the prison along with other activity that will accompany this economic expansion. Falling oil revenues do not appear to have impacted the region yet, given the strong public sector activi-

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

				Changes From:	
	P/	R/			
	5/85	4/85	5/84	4/85	5/84
Nonag. Wage & Salary	20950	19150	19800	1800	1150
Mining	800	750	750	50	50
Construction	1850	1500	1800	350	50
Manufacturing	3200	2150	2750	1050	450
Food & Kindred Prod.	2500	1450	2100	1050	400
All Other Mfg.	700	700	650	0	50
Trans. & Comm. Utilities	2100	2100	2100	0	0
Trade	3650	3350	3300	300	350
Wholesale	550	450	500	100	50
Retail	3100	2900	2800	200	300
Finance-Ins. & R.E.	650	650	650	0	0
Services & Misc.	3300	3150	3100	150	200
Government	5400	5500	5350	-100	50
Federal	500	450	550	50	-50
State	1500	1650	1550	-150	-50
Local	3400	3400	3250	0	150

ty this season. In the future, should oil prices continue to decline the loss of oil revenues will be felt.

Almost all of the region's remaining industries continue to chalk up employment gains. Trade and services remain the largest contributors. Manufacturing, a poor performer in the past, has made some gains. Fish processing employment received a boost from good herring, halibut and early salmon catches. Refinery employment has increased slightly as a result of the expansion of the Tesoro Refinery. Government employment has climbed over the past five months, Local government remains above year-ago levels, but tighter budgets in the near future will put a damper on further strong expansion in the public sector.

Southeast Alaska

By John Boucher

Employment Outlook

Southeast Alaska wage and salary employment continued to improve in the month of May, increasing nearly 4.0% over last month to 30,500 jobs. The increase came largely on the strength of growth in the manufacturing industry. Last year Southeast Alaska wage and salary employment stood at 29,350, which meant that the number of jobs in the Southeast region increased 2.5% over last year.

The strong showing of the lumber and paper products sector during the early part of this year has been a welcome sign to the larger Southeast communities outside of Juneau. The unemployment rates are a testament to this improvement, especially in the Ketchikan and Wrangell-Petersburg census areas where unemployment is down dramatically from the year ago figures. The good news in this industry was somewhat tempered though by the announcement that the Sitka pulp mill will shut down for six weeks beginning the first of July. Recent drops in the interest rates for home buyers is normally also a good sign for the lumber industry, but the Southeast lumber and paper products industry is more closely tied to markets in the Far East, especially the Japanese housing market. This is not to say that Southeast would not benefit from a pickup in housing starts in the U.S., but it would most likely be indirect as Pacific Northwest and Canadian competitors turn their attentions toward satisfying the needs of the more lucrative U.S. markets.

Employment related to the tourism industry in Southeast also began to show signs of revival for the summer months. Hotel and motel related employment picked up by more than 20% during May, which is not an unusual rate of growth for this month. June and July are the peak months of operation for the tourist season and employers like Westours do not really gear up until then. Southeast is expected to have another strong year for tourism which will be good for the industries of trade and services as well as the transportation industries.

Retail trade employment was up 200 for the month of May as eating and drinking establishments and other retailers began

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

				Changes From:	
	P/	R/			
	5/85	4/85	5/84	4/85	5/84
Nonag. Wage & Salary	30050	28900	29350	1150	700
Construction	1550	1400	2000	150	-450
Manufacturing	3500	2900	3300	600	200
Food & Kindred Prod.	1000	750	850	250	150
Lumber & Paper Prod.	2250	1900	2200	350	50
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2000	1950	1850	50	150
Trade	4850	4650	4700	200	150
Wholesale	400	400	400	0	0
Retail	4450	4250	4300	200	150
Finance-Ins. & R.E.	1050	1050	1050	0	0
Mining, Services & Misc.	4750	4550	4650	200	100
Government	12350	12400	11800	-50	550
Federal	2100	2000	2100	100	0
State	5600	5800	5450	-200	150
Local	4650	4600	4250	50	400

to add additional help for the longer summer hours. Eating and drinking establishments have been the fastest growing sector within the trade industry in Southeast Alaska during the last year. A major portion of the growth is attributable to the addition of several fast food franchises to the Juneau area as well as some expansion of existing operations. It is apparent that the restaurant business in the capital city is becoming increasingly competitive due to the recent additions to the market. Several established eateries have closed their doors or changed hands and several are up for sale. With at least one more very competitive entrant about to open and several others looking for a location, there looks to be continued growth in this segment of the economy; however, some of the growth might come at the eventual expense of more established businesses.

Hours and Earnings

By Kathleen Thomas

Urban Versus Rural Monthly Wages

Rural versus urban wages have been a source of concern for quite some time. Reasons for the differences vary from type of employment to way of life. To examine urban and rural wage differences, nonagricultural wage and salary employment and payroll data are used to calculate average monthly wages for rural and urban wage earners.

The 1983 *Statistical Quarterly* contains a table of nonagricultural wage and salary employment and payroll by month and census area. These census areas can be combined to provide average monthly wages for various regions. To examine differences in urban and rural wages, the census areas are combined into the five labor market regions: Southeast, Southcentral, Southwest, Interior, and Northern. The Anchorage labor market area and the Gulf Coast labor market area are combined to form the Southcentral region due to their geographic similarities. The four major urban areas (Juneau Borough, Anchorage Borough, Fairbanks North Star Borough, and North Slope Borough) were not added into the regional totals but were instead kept separate. By definition then, rural areas are all areas other than the designated urban areas.

The annual average monthly wage per employee is obtained by dividing the annual average monthly payroll by the annual average monthly employment. Performing this step for each urban area and each rural region allows comparison between areas.

For all regions rural residents have a lower average monthly wage than urban residents. Anchorage and the remainder of the Southcentral region had the least difference in average monthly wages, 5%. Though Anchorage is the major metropolitan area in the state, it is not the only urban community in the Southcentral region. The Kenai Peninsula Borough with a July 1, 1983 population of 34,890 and the Matanuska-Susitna Borough with a population of 29,849 rival Juneau in size with its population of 25,964. In other words, the urban rural dichotomy is not as applicable in the Southcentral region as in other areas due to urban sprawl from Anchorage.

The Juneau Borough's wage differential from the rest of Southeast is a bit more pronounced at 8.8%. Juneau tends to rely more on the stable government sector for most of its employment. In 1983, 51% of Juneau's employment was in combined local, state, and federal government. The other areas in the Southeast, especially the rural areas, are more bound by the cyclical and uncertain manufacturing industries such as fish processing and wood products.

In the Interior, Fairbanks North Star Borough has a 10% higher average monthly wage than the rest of the region. Fairbanks serves as a base station to the pipeline and Prudhoe Bay oil fields and, as a result, has an economy diversified into construction, transportation, retail trade, services, and government. This foundation provides a reliable employment base and steady wages. The number of wage and salary jobs available in rural areas is lower than in urban areas. Also, some rural households maintain a subsistence lifestyle and supplement their lifestyles with part-time or seasonal work thereby lowering average monthly wages.

The North Slope Borough is a special case. It is treated separately not because it is an urban area but because its average monthly wages are so much higher than the rest of the region's, 148% higher at $4,849. Sixty-three percent (63%) of North Slope Borough employment is in construction and mining, two of the highest wage industries as reported in hours and earnings. That, coupled with the increased demand for labor in the low population North Slope, serve to push wages to the extreme. Nome and Kobuk census areas received little of this bounty with average monthly wages of $1,933 and $1,986, respectively.

The Southwest region has no major urban areas against which to compare wages. Of all the regions, urban and rural, Southwest has the lowest average monthly wage. Southwest in general is responsive to seasonal employment. With the Southwest waters being the major fishing grounds, the fishing industry is critical to that region. Another point to note is that fish harvesting employment is not included in the *Statistical Quarterly* as it is not covered by unemployment insurance. If someone fished

Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 5/85	R/ 4/85	5/84	P/ 5/85	R/ 4/85	5/84	P/ 5/85	R/ 4/85	5/84
Mining	22.73	23.42	23.88	48.6	50.9	48.4	1104.68	1192.08	1155.79
Contract Construction	23.17	23.78	24.56	44.4	42.3	40.4	1028.75	1005.89	992.22
Manufacturing	11.63	13.55	13.53	43.4	37.5	34.9	504.74	508.13	472.20
Food & Kindred Prod.	7.06	9.17	8.54	43.8	33.6	28.1	309.23	308.11	239.97
Lumber & Paper Prod.	16.08	16.06	16.24	44.1	40.2	41.1	709.13	645.61	667.46
Trans. Comm. & Utilities	14.74	14.73	15.41	36.6	37.3	38.1	539.48	549.43	587.12
Trade	11.7	11.60	10.57	33.5	33.5	35.3	394.63	388.60	373.12
Wholesale	14.09	13.48	12.23	37.2	38.3	37.2	524.15	516.28	454.96
Retail Trade	10.74	10.73	9.89	32.0	31.6	34.6	343.68	339.07	342.19
Finance. Inc. & R.E.	—	—	—	—	—	—	418.87	440.12	381.29

1/ Prepared in cooperation with the Bureau of Labor Statistics U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production worker (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

for the summer season, earned a wage, and then worked a temporary job for a local industry in the winter, only that payroll for the temporary job would be included in the wage figures presented here. The fishing wage would not be counted. Though real wages may be more in line with the rest of the state there is no way to effectively measure this.

All in all, rural wages are lower than urban wages but whether it is because of reduced opportunities to work, the way wages are calculated, the lifestyle, or a combination of factors is difficult to determine.

Average Monthly Wages

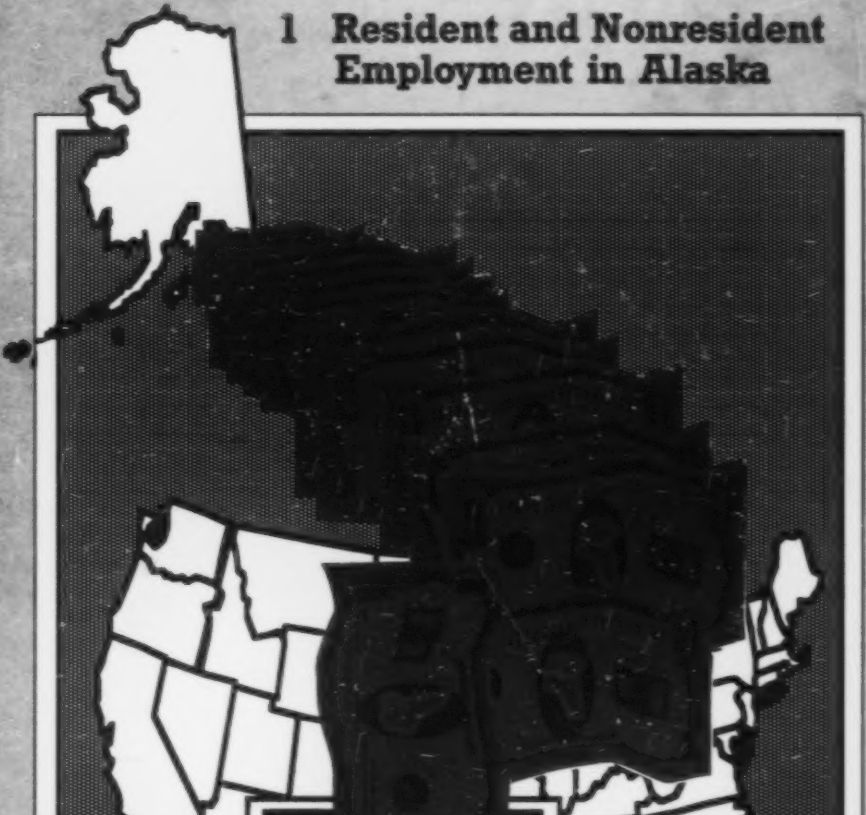
Urban Areas		**Rural Regions**	
Anchorage Borough	$2289.55	Southcentral	$2177.98
Juneau Borough	2283.01	Southeast	2098.11
Fairbanks North Star Bor.	2474.75	Interior	2250.28
North Slope Borough	4849.79	Northern	1955.55
		Southwest	1772.91
All Urban	2494.75	All Rural	2070.63

Statewide 2378.93

AUGUST 1985
ALASKA ECONOMIC TRENDS

Alaska Department of Labor   Bill Sheffield, Governor, State of Alaska

1 Resident and Nonresident Employment in Alaska



Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

August 1985
Volume 5
Issue 8

Contents

Resident and Nonresident Employment in Alaska 1

Alaska-*Economic Outlook* 18
Anchorage/MatSu-*Palmer Employment 1980-1984* 21
Fairbanks/Interior-*Nineteen Eighty-Five Capital Projects* .. 26
Gulf Coast-*Nineteen Eighty-Five Capital Projects* 29
Southeast Alaska-*Petersburg Employment 1980-1984* 32
Hours and Earnings-*Alaska's Timber Industry* 36
Composite Nonag. Employment Indexes, 1982 to June.... 40
Unemployment Rates, 1980 to Present.................. 40
Labor Force by Region and Census Area..... Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 25501, Juneau, Alaska 99802-5501.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Resident and Nonresident Employment in Alaska

By John Boucher

Introduction

The resident hire issue has recently commanded the attention of policy makers and citizens from all around the State of Alaska. Recent developments on the North Slope as well as in the courtrooms and legislative halls of the state have brought this controversial issue to the forefront once again. Despite this recent attention, the resident hire issue is by no means new on the Alaskan political and economic front. Resident hire and priority employment for Alaska's residents has been an important issue for many Alaskans for quite some time. This article is an attempt to highlight some of the roots of the resident hire issue and the recent developments that have rekindled public interest in the issue. Following that will be a brief explanation of some preliminary work done by Research and Analysis that pertains to resident hire and a passage about what might be expected to develop pertaining to this issue in the near future.

Background of the Resident and Nonresident Hire Issue

The first major attempt by the State of Alaska to enact a policy of preferential hire for Alaska residents dates from the early 1970's just prior to the construction of the Trans-Alaska Pipeline. A 1972 statute under Title 38 chapter 40 provided that the State of Alaska, 'in order to create, protect and preserve the right of Alaska residents to employment,' require private employers involved in any oil and gas activities resulting from leases with the state to first hire and last fire Alaska residents in preference to residents of other states. The intent of the legislation was to insure that local residents received the first chance at employment which resulted from oil and gas leases from the state.

The resident hire preference law under Title 38 was not actively enforced until 1975 when the Alaska Department of Labor began issuing residency cards to qualified individuals based upon their residence in Alaska for one year. After Executive Order 76-1 declared that all private companies cease and desist dispatching nonresidents to pipeline construction jobs if there were qualified Alaskans available to work, the first courtroom battle over Alaska hire preference was begun. The ensuing lawsuit over the resident hire law signaled the beginning of many legal battles over the residency issue including the well publicized Permanent Fund dividend case and the current case before the Alaska Supreme Court challenging the resident hire requirements on public construction projects. The law requiring resident hire on state owned oil and gas leases was eventually declared unconstitutional by the U.S. Supreme Court in 1979 in **Hicklin et.al. v. Orbeck,** but it has remained a policy objective of both the legislative and the executive branches of the state government to employ Alaskan residents first wherever possible. This policy objective is the root of Title 36's requirement that state funded construction projects have 95% residents on the job. (Title 36 predates Title 38).

A resident hire preference has not only been a concern of the government of the State of Alaska, but it has also received strong support from the state's unions. Prior to construction of the pipeline, union locals, led by prominent labor leader and Teamsters Local 959 chief Jesse Carr, refused to sign labor agreements with the oil companies participating in the construction of the Trans-Alaska pipeline until the companies adopted provisions guaranteeing the preferential hire of Alaskan union members. The concern of the unions was that the oil companies were planning to use a great deal of imported labor from the lower 48; among other items. The labor agreement that covered the pipeline construction period was followed by a new five-year agreement in 1980 between seventeen Alaska unions, ARCO Alaska and Sohio Construction company. The agreement, which extends to 1985, provides that most of the construction work at Prudhoe Bay and Kuparuk during this period would be performed by union labor. With the recent decline in oil prices, however, unions have lost the leverage that they had several years ago. The labor agreement in effect for the last five years will not be renewed according to Sohio and ARCO, and some construction not covered by the agreement has already been awarded to non-union contractors on a job by job basis known as 'merit' contracting. The expiration of existing contracts has been a matter of great concern to union leaders as 1986 and 1987 are scheduled to be the biggest construction seasons on the North Slope and they believe merit contracting will cause a massive influx of transient non-union workers from the lower 48.

Recent Legislative Developments

The first session of the Fourteenth Alaska Legislature focused attention on the resident hire issue in the form of an amendment to Title 36 of the Alaska Statutes, which is commonly referred to as Alaska's Resident Hire Law. This amendment was intended to clarify the legislative intent underlying the resident hire law in light of a Superior Court ruling striking down as unconstitutional the requirement that state funded construction projects employ 95% Alaska residents (90% if the payroll is 10 or less) if Alaskans are qualified and available to work. (Under a stay granted by the Alaska Supreme Court, Title 36 was enforced until July 1985.)

Efforts to insure that Alaskans are hired first have not been limited to policy makers at the state level. U.S. Senator Frank Murkowski recently sponsored an amendment to a defense appropriation bill which requires resident hire preference on military construction projects in all states not contiguous to one another that have unemployment rates above the national average, an amendment which no other state stands to benefit from unless Hawaii's unemployment rate should climb. In short, Alaska's higher than average unemployment rate, combined with a work force that is extremely seasonal in nature has made any employment that can be controlled through public policy or organized political pressure a target for resident hire. The primary focus of public policy has been in the oil and gas and construction industries, where, not coincidentally, the highest average wages in Alaska exist.

Exploring Resident and Nonresident Employment

Although the issue of resident hire in Alaska has been debated for many years, there has been little statistical information compiled on the economic effects of resident and nonresident employment. Even percentages of industry employment that is nonresident is hard to come by. During the construction of the Trans-Alaska pipeline employers were required to report resident and nonresident employment: this data, however, was limited to the pipeline construction firms only and its compilation was eventually discontinued.

During the 1985 Legislative Session, the Alaska Department of Labor Research and Analysis section did a preliminary study of resident and nonresident employment. The result of this study was a computer cross-match of the social security numbers of individuals who worked at any time in 1984 under the coverage of Alaska's unemployment insurance, with the social security numbers of the 1984 Permanent Fund dividend recipients. By doing this cross-match it can be determined how many of Alaska's wage and salary employees (excluding federal government employment, most fish harvesters, and the self-employed) received Permanent Fund dividends. Since the receipt of the 1984 dividend required residence in Alaska during the period from October 1, 1983 until March 31, 1984, the resulting match gives a good baseline from which to calculate resident employment.

However, a match against the Permanent Fund dividend recipient file will not provide a perfect definition of resident employment since there are many people who arrived in Alaska during the 15 month period from October 1, 1983 to December 31, 1984 who became residents of the state subsequent to the cutoff for eligibility for the dividend. Analysis of Internal Revenue Service migration data has further indicated that 12.9% of Alaskans who filed federal income tax returns for 1983 were not residents of Alaska in 1982. This percentage compares to a rate of 14.1% for the previous year. Extrapolating the two migration rates to cover the 15 month period of October 1983-December 1984 would indicate that approximately 16% to 18% of the wage earners would be new residents not qualified to receive the dividend. In addition, an undetermined number of persons who qualified for the dividend would have not applied for the dividend for one reason or another. If this amounted to no more than 2% of the population, combining the two factors of in-migration and failure to file would result in an initial adjustment of nearly 20%. One other factor to be noted here is that migration data is not available by industry and it is probable that employees in any one industry would migrate at a rate significantly different from this 20% adjustment. For example, government employment would be expected to have a much lower migration rate than an industry where employment is more transient such as construction or seafood processing.

The cross-match was designed to group employees by industry and by geographical area but in a different manner than the normal industry and area sorting procedures used by the

Research and Analysis section. In the cross-match, the activity being performed by an employer is considered but not whether the activity is actually owned by the public or private sector. For example, in the normal industry breakdown used by Research and Analysis, an activity such as the Alaska Railroad or the University of Alaska is considered state government employment. In the cross-match, however, these activities fall under the industry activity in which they participate as state owned entities. The Alaska Railroad, therefore, would be counted under transportation employment, not government employment as it normally would be. In most cases this would result in very small adjustments to the industry resident/nonresident employment figures, most likely tending to hold that industry's nonresident employee numbers to a slightly lower percentage than would be otherwise found. The one industry which is highly affected by this adjustment is services, because both local education and state education employment are coded as services employment in the cross-match. This tends to bias services employment toward resident employment much more than if services were looked at without the education employment included.

The matching of employment to the labor market areas that Research and Analysis normally uses (e.g. Gulf Coast and Interior) is also subject to certain limitations that normally do not occur. For example under the normal breakdown of employment by area, if a firm reports several offices throughout the state the employment will be allocated to the different labor market areas. However, the cross-match was not able to separate a firm's employment into the different labor market areas as is normally done. Instead, the labor market area of the firm's largest office would receive all of the firm's employment. The net effect is that the larger cities where main offices tend to be located will have their employment overstated at the expense of cities where smaller branch offices are located. This would impact the individual regions differently, depending on what types of industries are being counted in other regions, but it would not affect the statewide resident/nonresident employment or wage figures.

These two limitations resulted from working with the Unemployment Insurance tax file rather than the ES-202 file from which employment numbers are normally derived. Since this was the first time such a cross-match was attempted, there could be other difficulties or adjustment factors that have yet to be uncovered. Accordingly, these figures must be considered very preliminary at this time until further research can be conducted on this subject. Due to the limitations of the data, at this point we're going to introduce a change in terminology that better defines the information complied below. Instead of referring to 'resident' and 'nonresident' employment we will call this 'recipient' and 'nonrecipient' employment, keeping in mind the relationship of the data to an employees resident or nonresident status.

Table 1
U.I. Total Covered Wages by 1984 Permanent Fund Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	January-March				April-June			
	Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%
Mining	98,894,495	78%	27,167,143	22%	95,593,729	77%	28,089,377	23%
Oil & Gas	94,333,364	79%	25,750,432	21%	90,548,591	78%	26,280,812	22%
Other Mining	4,561,131	76%	1,416,711	24%	5,045,138	74%	1,808,565	26%
Construction	145,334,581	62%	87,444,070	38%	148,088,799	66%	74,825,680	34%
Manufacturing	38,862,771	73%	14,125,418	27%	46,576,026	70%	20,282,734	30%
Food & Kindred Products	7,456,601	51%	7,147,178	49%	10,303,152	46%	12,049,149	54%
Logging and Lumber	7,777,737	69%	3,438,663	31%	9,878,494	69%	4,440,411	31%
Other Manufacturing	23,628,433	87%	3,539,577	13%	26,394,380	87%	3,793,174	13%
Trans., Comm. & Utilities	137,402,938	82%	29,955,636	18%	140,832,545	83%	29,847,189	17%
Transportation	77,732,283	80%	19,218,953	20%	82,830,116	81%	19,907,617	19%
Communications & Utilities	59,670,655	85%	10,736,683	15%	58,002,429	85%	9,939,572	15%
Trade	171,602,978	83%	35,790,194	17%	170,389,166	82%	38,666,494	18%
Wholesale	52,487,932	85%	9,011,987	15%	53,425,413	84%	9,942,239	16%
Retail	119,115,046	82%	26,778,207	18%	116,963,753	80%	28,724,255	20%
Eating & Drinking Places	26,717,551	74%	9,610,775	26%	27,033,181	71%	11,003,996	29%
Other Retail	92,397,495	84%	17,167,432	16%	89,930,572	84%	17,720,259	16%
Finance, Ins. & Real Estate	61,482,041	87%	9,557,771	13%	60,091,427	86%	9,951,224	14%
Services & Unclassified	314,103,664	85%	56,036,219	15%	343,199,862	85%	61,789,631	15%
Hotels	10,867,526	78%	3,136,530	22%	11,437,248	76%	3,545,204	24%
Business Services	33,922,252	72%	13,065,399	28%	33,265,768	72%	12,801,302	28%
Health	44,289,632	87%	6,631,254	13%	46,540,820	85%	8,162,568	15%
Education	135,473,112	92%	11,271,196	8%	162,491,349	93%	12,409,929	7%
Other Svcs. & Unclassified	123,473,394	78%	34,997,239	22%	122,730,445	77%	37,671,939	23%
Public Administration	177,287,055	92%	15,111,040	8%	189,056,613	92%	16,026,878	8%
Agriculture	2,104,403	78%	600,427	22%	2,725,648	70%	1,191,657	30%
Total	1,147,074,926	81%	275,787,918	19%	1,196,553,815	81%	280,670,864	19%

Source: Alaska Department of Labor, Research and Analysis Section

Note: Data differs from industry groupings commonly published by this Department. Time did not permit the isolation of government from other industries. For example, education contains: state, local, and private education.

Employee count, as shown, will always be higher than an employment count. For example, if 6 different people each worked 2 months the employee count would = 6, but the annual average employment would = 1.

Total 1984 employees is an unduplicated count of people, using their social security number, and counts them once by their last industry worked. Wages are allocated to the last industry worked in each quarter. Some distortion, though usually small, can occur in the average wages due to employees moving from one industry to another.

Federal employees are not included in this data source.

Highlights from the Cross-match

During the five quarters that were covered by the cross-match, Statewide nonrecipient employment ranged from a low of 24.2% during the first quarter of 1984 to a high of 30.4% during the 4th quarter of 1984. In a separate match of all quarters in 1984 to the dividend file, 36% of all the employees on Alaska's Unemployment Insurance tax files did not receive a Permanent Fund dividend. While 36% of all employment in 1984 consisted of nonrecipients the wages paid to nonrecipients during the same period did not result in as high a percentage as the employment

July-September				October-December				Total 1984			
Recipients Wages	**%**	**Nonrecip Wages**	**%**	**Recipients Wages**	**%**	**Nonrecip Wages**	**%**	**Recipients Wages**	**%**	**Nonrecip Wages**	**%**
102,316,442	75%	34,649,181	25%	105,217,464	73%	38,863,145	27%	402,022,130	76%	128,768,846	24%
96,186,328	76%	30,682,190	24%	99,696,043	74%	35,805,242	26%	380,764,326	76%	118,518,676	24%
6,130,114	61%	3,966,991	39%	5,521,421	64%	3,057,903	36%	21,257,804	67%	10,250,170	33%
173,211,870	65%	92,113,362	35%	143,724,684	65%	76,875,758	35%	610,359,934	65%	331,258,870	35%
53,934,816	49%	56,084,559	51%	44,036,122	48%	47,063,812	52%	183,409,735	57%	137,556,523	43%
18,640,257	29%	44,873,460	71%	12,233,622	25%	36,665,301	75%	48,633,632	33%	100,735,088	67%
10,673,170	63%	6,207,336	37%	9,070,931	64%	5,193,496	36%	37,400,332	66%	19,279,906	34%
24,621,389	83%	5,003,763	17%	22,731,569	81%	5,205,015	19%	97,375,771	85%	17,541,529	15%
150,172,652	81%	36,098,370	19%	143,378,626	81%	33,649,696	19%	571,786,761	82%	129,550,891	18%
85,834,897	78%	24,353,521	22%	83,099,521	79%	22,332,326	21%	329,496,817	79%	85,812,417	21%
64,337,755	85%	11,744,849	15%	60,279,105	84%	11,317,370	16%	242,289,044	85%	43,738,474	15%
178,391,947	78%	49,597,030	22%	175,429,117	77%	53,350,617	23%	695,813,208	80%	177,404,335	20%
55,370,940	81%	12,866,023	19%	54,816,822	80%	13,536,547	20%	216,101,107	83%	45,356,796	17%
123,021,007	77%	36,731,007	23%	120,612,295	75%	39,814,070	25%	479,712,101	78%	132,047,539	22%
28,389,922	66%	14,441,570	34%	27,426,298	65%	14,640,583	35%	109,566,952	69%	49,696,924	31%
94,631,085	81%	22,289,437	19%	93,185,997	79%	25,173,487	21%	370,145,149	82%	82,350,615	18%
60,894,231	84%	11,955,716	16%	61,214,350	82%	13,625,447	18%	243,682,049	84%	45,090,158	16%
287,682,640	80%	72,874,180	20%	327,521,247	81%	79,127,202	19%	1,272,507,413	83%	269,827,232	17%
12,669,334	69%	5,763,580	31%	11,623,153	69%	5,158,332	31%	46,597,261	73%	17,603,646	27%
32,000,608	71%	13,119,656	29%	32,654,116	70%	13,750,086	30%	131,842,744	71%	52,736,443	29%
45,326,043	82%	10,014,660	18%	45,031,131	80%	10,959,018	20%	181,187,626	84%	35,767,500	16%
101,039,207	89%	12,000,773	11%	142,110,749	89%	17,203,204	11%	541,114,417	91%	52,885,093	9%
128,648,056	74%	45,095,167	26%	128,756,214	74%	45,806,648	26%	503,608,109	75%	163,570,993	25%
199,452,055	91%	20,048,956	9%	199,748,192	91%	19,631,386	9%	765,543,915	92%	70,818,260	8%
3,273,896	62%	2,016,111	38%	2,842,568	62%	1,724,445	38%	10,946,515	66%	5,532,640	34%
1,209,330,549	76%	375,437,465	24%	1,203,112,370	77%	363,911,508	23%	4,756,071,660	79%	1,295,807,755	21%

did. Wages paid to nonrecipients amounted to no more than 24% of the total during any quarter in 1984, and the average for the entire year was 21%. This was evident in the average wage of nonrecipients which was 48% of that of the average for recipients of the dividend.

In terms of industry grouping, the range of nonrecipient employment varied widely from the 36% average. Industries at the lower end of the scale were public administration and education with 14% and 17% nonrecipients, respectively. This is to be expected as residents often have the first opportunity at jobs with state and local governments and school districts. Also, this type of employment is not subject to the instability that other industries experience, which would tend to make the nonrecipient ratio much lower than the average. Of the major industry groups besides government, finance, insurance and real estate (F.I.R.E.) had the next lowest number of nonrecipients at

Table 2
1984 U.I. Covered Employees by 1984 Permanent Fund Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	January-March				April-June			
	# Recipients	%	# Nonrecip	%	# Recipients	%	# Nonrecip	%
Mining	7,529	73%	2,720	27%	7,906	72%	3,103	28%
Oil & Gas	7,024	74%	2,480	26%	7,310	73%	2,760	27%
Other Mining	505	68%	240	32%	596	63%	343	37%
Construction	22,156	64%	12,295	36%	21,625	65%	11,601	35%
Manufacturing	7,947	58%	5,804	42%	9,138	54%	7,889	46%
Food& Kindred Products	2,750	40%	4,106	60%	3,772	39%	5,968	61%
Logging & Lumber	1,458	64%	819	36%	1,475	62%	906	38%
Other Manufacturing	3,739	81%	879	19%	3,891	79%	1,015	21%
Trans., Comm & Utilities	17,937	79%	4,808	21%	18,635	78%	5,217	22%
Transportation	11,706	77%	3,514	23%	12,309	76%	3,985	24%
Communications & Utilities	6,231	83%	1,294	17%	6,326	84%	1,232	16%
Trade	42,575	73%	15,680	27%	43,720	71%	18,025	29%
Wholesale	7,728	81%	1,866	19%	8,057	78%	2,222	22%
Retail	34,847	72%	13,814	28%	35,663	69%	15,803	31%
Eating & Drinking Places	11,814	63%	6,921	37%	12,199	60%	8,126	40%
Other Retail	23,033	77%	6,893	23%	23,464	75%	7,677	25%
Finance, Ins. & Real Estate	10,933	82%	2,348	18%	11,120	81%	2,672	19%
Services & Unclassified	59,472	80%	15,166	20%	60,344	78%	17,059	22%
Hotels	4,202	70%	1,769	30%	4,679	67%	2,333	33%
Business Services	7,521	68%	3,557	32%	7,452	66%	3,764	34%
Health	7,893	84%	1,492	16%	7,965	82%	1,718	18%
Education	20,997	89%	2,501	11%	20,631	90%	2,408	10%
Other Svcs. & Unclassified	26,380	74%	9,404	26%	27,069	72%	10,600	28%
Public Administration	24,192	90%	2,596	10%	25,237	90%	2,743	10%
Agriculture	542	72%	207	28%	789	62%	475	38%
Total	193,283	76%	61,624	24%	198,514	74%	68,784	26%

Source: Alaska Department of Labor, Research and Analysis Section

See footnotes page 6

26% and then came transportation, communications and utilities at 29%. The relatively low number of nonrecipients in F.I.R.E. is somewhat difficult to assess; the presence of Native corporations within this sector, however, would account for a portion of the high percentage of recipient employment. Other occupations such as the middle and upper management in the banking and finance industry would lend themselves to high ratios of recipient employment, however, at the entry levels of this industry such as tellers, turnover would expected to be fairly high and nonrecipient employment would also be high. Transportation, communications and utilities has a lower nonrecipient ratio because of the high ratio of recipients employed by utilities such as Alascom and municipally owned utilities. Air carriers that are based in Alaska also contributed a high number of recipients to the total.

On the other end of the scale are industries that are highly

July-September				October-December				Total 1984			
# Recipients	%	# Nonrecip	%	# Recipients	%	# Nonrecip	%	# Recipients	%	# Nonrecip	%
7,915	69%	3,531	31%	7,810	69%	3,436	31%	8,136	64%	4,600	36%
7,232	71%	3,018	29%	7,156	71%	2,942	29%	7,464	65%	3,981	35%
683	57%	513	43%	654	57%	494	43%	672	52%	619	48%
23,292	62%	14,247	38%	22,339	62%	13,447	38%	26,688	55%	21,905	45%
11,408	42%	15,831	58%	10,056	40%	14,774	60%	11,126	37%	18,808	63%
5,843	31%	13,299	69%	4,721	28%	12,230	72%	5,139	25%	15,301	75%
1,615	57%	1,202	43%	1,502	58%	1,083	42%	1,688	52%	1,582	48%
3,950	75%	1,330	25%	3,833	72%	1,461	28%	4,299	69%	1,925	31%
19,193	76%	5,921	24%	18,890	76%	5,897	24%	20,029	71%	8,319	29%
12,784	74%	4,518	26%	12,544	74%	4,495	26%	13,324	68%	6,373	32%
6,409	82%	1,403	18%	6,346	82%	1,402	18%	6,705	78%	1,946	22%
44,092	66%	22,248	34%	42,873	65%	22,731	35%	52,418	60%	34,429	40%
8,162	74%	2,820	26%	7,843	74%	2,759	26%	8,764	69%	3,865	31%
35,930	65%	19,428	35%	35,030	64%	19,972	36%	43,654	59%	30,564	41%
12,258	55%	10,135	45%	11,616	54%	10,021	46%	15,511	49%	16,002	51%
23,672	72%	9,293	28%	23,414	70%	9,951	30%	28,143	66%	14,562	34%
11,422	78%	3,191	22%	10,965	77%	3,271	23%	12,520	74%	4,509	26%
60,892	74%	21,344	26%	60,291	74%	21,714	26%	70,445	69%	31,666	31%
4,869	61%	3,072	39%	4,431	61%	2,871	39%	5,434	56%	4,208	44%
7,049	62%	4,412	38%	7,091	61%	4,597	39%	9,144	56%	7,055	44%
8,129	79%	2,107	21%	7,942	78%	2,180	22%	8,700	74%	2,985	26%
20,039	87%	3,108	13%	20,656	86%	3,454	14%	23,396	83%	4,707	17%
27,855	68%	13,057	32%	27,262	67%	13,209	33%	32,915	62%	19,766	38%
27,270	89%	3,366	11%	27,238	89%	3,435	11%	27,770	86%	4,372	14%
900	57%	672	43%	760	57%	564	43%	875	52%	798	48%
206,384	70%	90,351	30%	201,222	69%	89,269	31%	230,007	64%	129,406	36%

seasonal and subject to transient employment. Food and kindred products employment, which consists of over 90% seafood processing employment, had the highest percentage of nonrecipients employed during 1984 at 75% of the total number of employees. Food and kindred products was nearly 50% higher than the next industry, eating and drinking establishments, which employed 51% nonrecipients during 1984. It is interesting to note, however, that in terms of total wages paid to nonrecipients during 1984, the construction industry easily outdistanced all others paying out over $331.2 million to nonrecipients in 1984. Food and kindred products paid $100.7 million to nonrecipient employees but that amount was 67% of the total wages paid in that industry. Second and third behind construction in terms of total wages paid to nonrecipients were services and trade with $269.8 million and $177.4 million, respectively. Both of these industries were below the average for the state in terms of percentage of total wages paid to nonrecipients, serv-

Table 3
1984 U.I. Average Covered Wages by 1984 Permanent Fund Recipients and Nonrecipients, by Statewide Industry

Industry Cluster by Standard Industrial Classification (SIC)	**January-March**			**April-June**		
	Recipients Av Wages	**Nonrecip Av Wages**	**% Recip**	**Recipients Av Wages**	**Nonrecip Av Wages**	**% Recip**
Mining	13,135	9,988	76%	12,091	9,052	75%
Oil & Gas	13,430	10,383	77%	12,387	9,522	77%
Other Mining	9,032	5,903	65%	8,465	5,273	62%
Construction	6,560	7,112	108%	6,848	6,450	94%
Manufacturing	4,890	2,434	50%	5,097	2,571	50%
Food & Kindred Products	2,711	1,741	64%	2,731	2,019	74%
Logging and Lumber	5,335	4,199	79%	6,697	4,901	73%
Other Manufacturing	6,319	4,027	64%	6,783	3,737	55%
Transportation, Comm. & Utilities	7,660	6,230	81%	7,557	5,721	76%
Transportation	6,640	5,469	82%	6,729	4,996	74%
Communications & Utilities	9,576	8,297	87%	9,169	8,068	88%
Trade	4,031	2,283	57%	3,897	2,145	55%
Wholesale	6,792	4,830	71%	6,631	4,474	67%
Retail	3,418	1,938	57%	3,280	1,818	55%
Eating & Drinking Places	2,262	1,389	61%	2,216	1,354	61%
Other Retail	4,012	2,491	62%	3,833	2,308	60%
Finance, Insurance & Real Estate	5,624	4,071	72%	5,404	3,724	69%
Services & Unclassified	5,282	3,695	70%	5,687	3,622	64%
Hotels	2,586	1,773	69%	2,444	1,520	62%
Business Services	4,510	3,673	81%	4,464	3,401	76%
Health	5,611	4,445	79%	5,843	4,751	81%
Education	6,452	4,507	70%	7,876	5,154	65%
Other Services & Unclassified	4,681	3,722	80%	4,534	3,554	78%
Public Administration	7,328	5,821	79%	7,491	5,843	70%
Agriculture	3,883	2,901	75%	3,455	2,509	73%
Total	5,935	4,475	75%	6,023	4,080	68%

Source: Alaska Department of Labor, Research and Analysis Section

See footnotes page 5

ices at 17% and trade at 20%. Even if services is adjusted by taking all education employment out, the percentage rises to only 1% above the statewide average to 22%.

In terms of the labor market areas of the state, it is not surprising to find that the regions more dependent upon the seafood processing industry have the higher ratios of nonrecipient employment. The Southwest region employed 47% nonrecipients during 1984 and the Gulf Coast employed 42% nonrecipients. The five census areas that employed over 50% nonrecipients are all communities or areas known for their strong fishing industries. They were: Aleutian Islands (73% nonrecipients), Bristol Bay Borough (63%), Dillingham (53%), Wrangell-Petersburg (52%), and Kodiak Island (50%).

The Southeast region, mainly because of the government em-

July-September			October-December			Total 1984		
Recipients Av Wages	Nonrecip Av Wages	% Recip	Recipients Av Wages	Nonrecip Av Wages	% Recip	Recipients Av Wages	Nonrecip Av Wages	Recip
12,927	9,813	76%	13,472	11,311	84%	49,413	27,993	57%
13,300	10,166	76%	13,932	12,170	87%	51,013	29,771	58%
8,975	7,733	86%	8,443	6,190	73%	31,634	16,559	52%
7,437	6,465	87%	6,434	5,717	89%	22,870	15,123	66%
4,728	3,543	75%	4,379	3,186	73%	16,485	7,314	44%
3,190	3,374	106%	2,591	2,998	116%	9,464	6,584	70%
6,609	5,164	78%	6,039	4,795	79%	22,157	12,187	55%
6,233	3,762	60%	5,930	3,563	60%	22,651	9,112	40%
7,824	6,097	78%	7,590	5,706	75%	28,548	15,573	55%
6,714	5,390	80%	6,625	4,968	75%	24,730	13,465	54%
10,039	8,371	83%	9,499	8,072	85%	36,136	22,476	62%
4,046	2,229	55%	4,092	2,347	57%	13,274	5,153	39%
6,784	4,562	67%	6,989	4,906	70%	24,658	11,735	48%
3,424	1,891	55%	3,443	1,993	58%	10,989	4,320	39%
2,316	1,425	62%	2,361	1,461	62%	7,064	3,106	44%
3,998	2,399	60%	3,980	2,530	64%	13,152	5,655	43%
5,331	3,747	70%	5,583	4,166	75%	19,463	10,000	51%
4,724	3,414	72%	5,432	3,644	67%	18,064	8,521	47%
2,602	1,876	72%	2,623	1,797	68%	8,579	4,183	49%
4,540	2,974	66%	4,605	2,991	65%	14,418	7,475	52%
5,576	4,753	85%	5,670	5,027	89%	20,826	11,982	58%
5,042	3,861	77%	6,880	4,961	72%	23,129	11,235	49%
4,618	3,454	75%	4,723	3,468	73%	15,300	8,275	54%
7,314	5,956	81%	7,333	5,715	78%	27,567	16,198	59%
3,638	3,000	82%	3,740	3,058	82%	12,510	6,933	55%
5,860	4,165	71%	5,979	4,077	68%	20,678	10,014	48%

ployment in Juneau and the health services employment in Sitka, had the State's lowest level of nonrecipient employment at 30%. The Wade-Hampton and the Kobuk census divisions had the lowest nonrecipient totals with 17% and 21% nonrecipients, respectively. This is probably due to the scarcity of wage and salary employment that is covered by UI in these two areas. Since opportunity is scarce in these areas, residents would have a much better chance at the employment. Juneau had the lowest ratio of nonrecipients among the major population centers with 22% nonrecipients. Anchorage and Fairbanks both came in at 35% nonrecipient and Kenai had 36% nonrecipients.

Table 4
U.I. Total Covered Wages by 1984 Permanent Fund Recipients and Nonrecipients, by Economic Region and Census Area

	January-March				April-June			
	Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%
Alaska Statewide	1,146,900,808	81%	275,680,398	19%	1,196,477,906	81%	280,637,271	19%
Anchorage-MatSu Region	575,773,453	83%	115,026,198	17%	601,663,715	83%	122,586,939	17%
Anchorage Borough	551,780,985	83%	111,296,025	17%	573,390,188	83%	117,897,482	17%
MatSu Borough	23,992,468	87%	3,730,173	13%	28,273,527	86%	4,689,457	14%
Gulf Coast Region	74,519,058	80%	18,172,521	20%	80,950,488	79%	21,033,381	21%
Kenai Peninsula Borough	49,534,458	82%	10,432,506	18%	54,753,898	81%	12,441,811	19%
Kodiak Island Borough	14,950,659	72%	5,826,608	28%	14,829,110	71%	6,078,908	29%
Valdez-Cordova	10,033,941	84%	1,913,408	16%	11,367,480	82%	2,512,662	18%
Interior Region	153,978,204	81%	36,381,049	19%	163,387,788	82%	36,268,531	18%
Fairbanks North Star Bor	137,460,499	81%	32,547,594	19%	146,027,953	82%	32,364,201	18%
Southeast Fairbanks	2,743,402	86%	445,810	14%	2,841,879	85%	506,475	15%
Yukon-Koyukuk	13,774,303	80%	3,387,645	20%	14,517,956	81%	3,397,855	19%
Northern Region	98,544,637	62%	61,325,979	38%	94,127,493	65%	51,378,995	35%
Kobuk	6,878,949	81%	1,571,061	19%	7,252,077	82%	1,627,224	18%
Nome	8,934,698	84%	1,753,240	16%	9,019,195	83%	1,902,673	17%
North Slope Borough	82,730,990	59%	58,001,678	41%	77,856,221	62%	47,849,098	38%
Southeast Region	202,851,159	88%	27,691,029	12%	212,605,506	87%	31,470,777	13%
Haines Borough	2,509,150	79%	683,339	21%	3,161,786	76%	991,507	24%
Juneau Borough	142,972,719	91%	14,210,667	9%	147,755,176	91%	14,907,767	9%
Ketchikan Gateway Bor	25,229,533	84%	4,843,680	16%	26,758,007	83%	5,638,382	17%
Prince of Wales-Outer Ketchikan	5,581,943	76%	1,727,299	24%	6,823,387	73%	2,462,498	27%
Sitka Borough	13,902,195	87%	2,042,213	13%	13,738,516	87%	2,119,382	13%
Skagway-Yakutat-Angoon	3,902,498	72%	1,547,638	28%	4,840,219	67%	2,376,742	33%
Wrangell-Petersburg	8,753,121	77%	2,636,193	23%	9,528,215	76%	2,974,499	24%
Southwest Region	33,685,049	74%	11,334,270	26%	34,722,363	73%	12,890,366	27%
Aleutian Islands	6,239,078	54%	5,312,249	46%	6,866,318	53%	6,016,767	47%
Bethel	14,804,763	82%	3,168,160	18%	16,146,625	83%	3,232,074	17%
Bristol Bay Borough	2,289,232	77%	694,281	23%	2,577,226	73%	954,409	27%
Dillingham	5,927,109	74%	2,123,450	26%	5,501,274	71%	2,224,031	29%
Wade Hampton	4,424,867	89%	536,130	11%	3,630,920	89%	463,085	11%
Geographic Area Unknown	8,049,248	61%	5,249,352	39%	9,020,553	64%	5,008,282	36%

Source: Department of Labor Research and Analysis Section

Summary

While this data is preliminary, it does give some very good indications of the extent to which nonresidents impact the Alaskan economy and which industries and areas are most affected. It is up to the state's policy makers to decide whether or not nonresidents are adversely impacting the Alaskan economy by taking too large a share of total employment and wages from the state's residents. Determining how much nonresident employment is acceptable will be difficult because each industry has its own employment peculiarities. Each industry must be ana-

July-September				October-December				Total 1984			
Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%	Recipients Wages	%	Nonrecip Wages	%
1,209,231,399	76%	374,994,806	24%	1,203,026,621	77%	363,867,258	23%	4,755,636,734	79%	1,295,179,733	21%
598,051,672	80%	153,208,686	20%	604,601,661	79%	159,077,623	21%	2,380,090,501	81%	549,899,446	19%
572,021,131	80%	146,545,318	20%	576,629,094	79%	152,129,388	21%	2,273,821,358	81%	527,868,213	19%
26,030,541	80%	6,663,368	20%	27,972,567	80%	6,948,235	20%	106,269,103	83%	22,031,233	17%
82,632,994	71%	33,718,222	29%	83,747,499	73%	30,948,431	27%	321,350,039	76%	103,872,555	24%
55,095,156	75%	18,567,306	25%	58,282,612	76%	18,440,481	24%	217,166,124	78%	59,902,105	22%
15,961,992	63%	9,525,739	37%	14,030,488	63%	8,348,436	37%	59,772,249	67%	29,779,691	33%
11,575,846	67%	5,605,175	33%	11,434,399	73%	4,159,514	27%	44,411,666	76%	14,190,759	24%
176,476,127	78%	49,342,507	22%	163,149,865	78%	46,144,083	22%	656,991,984	80%	168,136,170	20%
158,765,267	78%	44,278,975	22%	145,625,639	78%	41,356,261	22%	587,879,358	80%	150,547,031	20%
2,886,194	79%	751,554	21%	3,233,658	78%	894,099	22%	11,705,133	82%	2,597,938	18%
14,824,666	77%	4,311,978	23%	14,290,568	79%	3,893,723	21%	57,407,493	79%	14,991,201	21%
88,715,219	64%	50,591,761	36%	93,793,227	66%	48,746,283	34%	375,180,576	64%	212,043,018	36%
6,837,100	76%	2,119,673	24%	7,892,047	80%	2,024,461	20%	28,850,173	80%	7,342,419	20%
9,125,900	72%	3,567,264	28%	10,010,890	75%	3,367,259	25%	37,090,683	78%	10,590,436	22%
72,762,219	62%	44,904,824	38%	75,890,290	64%	43,354,563	36%	309,239,720	61%	194,110,163	39%
218,198,447	83%	44,188,423	17%	210,695,294	85%	38,053,817	15%	844,350,406	86%	141,404,046	14%
3,065,870	72%	1,202,185	28%	2,645,580	76%	842,817	24%	11,382,386	75%	3,719,848	25%
154,286,895	90%	17,793,766	10%	149,916,814	90%	17,463,636	10%	594,931,604	90%	64,375,836	10%
23,952,648	76%	7,427,349	24%	24,141,206	79%	6,368,164	21%	100,081,394	80%	24,277,575	20%
7,520,512	66%	3,914,457	34%	6,612,490	66%	3,375,503	34%	26,538,532	70%	11,479,757	30%
14,317,303	82%	3,238,393	18%	13,870,909	83%	2,887,401	17%	55,828,923	84%	10,287,389	16%
4,534,613	54%	3,807,778	46%	4,314,857	59%	3,046,517	41%	17,592,187	62%	10,778,675	38%
10,520,606	61%	6,804,495	39%	9,193,438	69%	4,069,779	31%	37,995,380	70%	16,484,966	30%
33,712,650	51%	32,586,439	49%	37,105,175	54%	31,253,172	46%	139,225,237	61%	88,564,247	39%
7,531,819	35%	13,919,729	65%	6,999,884	35%	13,288,758	65%	27,637,099	42%	38,537,503	58%
13,363,893	76%	4,224,705	24%	15,500,419	79%	4,094,563	21%	59,815,700	80%	14,719,502	20%
2,940,150	34%	5,669,178	66%	2,865,893	35%	5,368,071	65%	10,672,501	46%	12,685,939	54%
5,676,749	41%	8,098,727	59%	6,395,168	45%	7,710,681	55%	23,500,300	54%	20,156,889	46%
4,200,039	86%	674,100	14%	5,343,811	87%	791,099	13%	17,599,637	88%	2,464,414	12%
11,444,290	50%	11,358,768	50%	9,933,900	51%	9,643,849	49%	38,447,991	55%	31,260,251	45%

lyzed to determine if Alaska's labor force can meet that industry's needs. Some industries provide stable employment throughout the year while others can not. Some industries have hazardous working conditions while others do not. Some industries can pay higher wages to their employees due to market conditions while others must pay a lower wage. Some Alaska industries operate in remote locations while others are in the populated areas. All of these factors combine to effect the size of both the resident and nonresident labor force that is available to any industry that operates in Alaska.

Table 5
1984 U.I. Covered Employees by 1984 Permanent Fund Recipients and Nonrecipients, by Economic Region and Census Area

	1st Quarter				2nd Quarter			
	# Recipients	%	# Nonrecip	%	# Recipients	%	# Nonrecip	%
Alaska Statewide	183,213	76%	61,582	24%	198,449	74%	68,760	26%
Anchorage-MatSu Region	98,441	76%	30,515	24%	100,816	75%	33,758	25%
Anchorage Borough	93,235	76%	29,233	24%	95,261	75%	32,200	25%
MatSu Borough	5,206	80%	1,282	20%	5,555	78%	1,558	22%
Gulf Coast Region	14,462	75%	4,813	25%	15,379	70%	6,491	30%
Kenai Peninsula Borough*	8,833	80%	2,190	20%	9,541	74%	3,324	26%
Kodiak Island Borough	3,399	67%	1,654	33%	3,468	62%	2,101	38%
Valdez-Cordova	2,230	70%	969	30%	2,370	69%	1,066	31%
Interior Region	25,612	77%	7,736	23%	26,291	75%	8,595	25%
Fairbanks North Star Bor	22,448	76%	6,957	24%	22,824	75%	7,680	25%
Southeast Fairbanks	716	78%	203	22%	789	75%	267	25%
Yukon-Koyukuk	2,448	81%	576	19%	2,678	81%	648	19%
Northern Region	11,697	67%	5,781	33%	11,580	68%	5,500	32%
Kobuk	1,633	83%	331	17%	1,731	84%	328	16%
Nome	2,313	82%	508	18%	2,218	81%	525	19%
North Slope Borough	7,751	61%	4,942	39%	7,631	62%	4,647	38%
Southeast Region	33,408	81%	8,041	19%	34,323	80%	8,808	20%
Haines Borough	605	76%	194	24%	678	75%	226	25%
Juneau Borough	20,190	86%	3,306	14%	20,730	85%	3,723	15%
Ketchikan Gateway Bor	5,010	78%	1,373	22%	5,028	76%	1,561	24%
Prince of Wales-Outer Ketchikan	1,505	72%	591	28%	1,510	67%	731	33%
Sitka Borough	2,731	82%	616	18%	2,839	81%	680	19%
Skagway-Yakutat-Angoon	1,136	67%	548	33%	1,243	61%	790	39%
Wrangell-Petersburg	2,231	61%	1,413	39%	2,295	68%	1,097	32%
Southwest Region	8,486	69%	3,742	31%	8,882	66%	4,516	34%
Aleutian Islands	1,349	41%	1,954	59%	1,343	40%	2,054	60%
Bethel	3,933	81%	901	19%	4,171	81%	981	19%
Bristol Bay Borough	520	73%	193	27%	589	64%	326	36%
Dillingham	1,400	73%	512	27%	1,456	61%	946	39%
Wade Hampton	1,284	88%	182	12%	1,323	86%	209	14%
Geographic Area Unknown	1,107	54%	954	46%	1,178	52%	1,092	48%

Source: Alaska Department of Labor, Research and Analysis Section

Another factor to consider is what impact any resident hire policy might have on the future development of an industry. An effective resident hire policy, must be coupled with sound labor force planning and training policies. Otherwise it might have the effect of limiting the supply of available labor to the employer, which could drive up the cost of labor. Labor costs are an important factor in the development of any industry or project and increased wages may mean the difference between some projects being feasible or unfeasible. To some extent, this is already taking place in Alaska on the North Slope. Labor is hav-

3rd Quarter				4th Quarter				Total 1984			
# Recipients	%	# Nonrecip	%	# Recipients	%	# Nonrecip	%	# Receipients	%	# Nonrecip	%
206,276	70%	90,295	30%	201,045	69%	89,134	31%	229,954	64%	129,253	36%
102,661	71%	41,288	29%	99,896	70%	41,881	30%	114,735	65%	62,119	35%
96,745	71%	39,052	29%	94,087	70%	39,667	30%	108,019	65%	58,859	35%
5,916	73%	2,236	27%	5,809	72%	2,214	28%	6,716	67%	3,260	33%
16,643	62%	10,056	38%	15,990	63%	9,468	37%	18,545	58%	13,168	42%
10,393	67%	5,022	33%	10,089	68%	4,826	32%	11,447	64%	6,449	36%
3,519	53%	3,093	47%	3,378	54%	2,856	46%	4,151	50%	4,162	50%
2,731	58%	1,941	42%	2,523	59%	1,786	41%	2,947	54%	2,557	46%
27,847	71%	11,117	29%	27,479	71%	11,159	29%	31,042	66%	15,923	34%
24,076	71%	9,952	29%	23,922	70%	10,037	30%	26,759	65%	14,296	35%
869	72%	346	28%	839	71%	340	29%	1,014	67%	502	33%
2,902	78%	819	22%	2,718	78%	782	22%	3,269	74%	1,125	26%
11,951	67%	5,926	33%	11,767	68%	5,576	32%	13,839	62%	8,497	38%
1,947	82%	427	18%	1,972	82%	443	18%	2,241	79%	597	21%
2,511	76%	776	24%	2,606	77%	780	23%	3,068	74%	1,076	26%
7,493	61%	4,723	39%	7,189	62%	4,353	38%	8,530	56%	6,824	44%
35,615	75%	11,712	25%	34,696	76%	11,220	24%	38,595	70%	16,542	30%
708	71%	289	29%	677	72%	265	28%	781	67%	392	33%
21,364	83%	4,379	17%	21,069	83%	4,245	17%	22,546	78%	6,376	22%
5,180	73%	1,916	27%	5,010	74%	1,788	26%	5,813	67%	2,806	33%
1,741	63%	1,032	37%	1,611	63%	946	37%	1,885	58%	1,350	42%
2,936	77%	893	23%	2,825	77%	863	23%	3,336	72%	1,270	28%
1,282	53%	1,138	47%	1,171	53%	1,041	47%	1,485	51%	1,427	49%
2,404	54%	2,065	46%	2,333	53%	2,072	47%	2,749	48%	2,921	52%
10,092	55%	8,280	45%	9,673	55%	7,920	45%	11,675	53%	10,465	47%
1,517	31%	3,407	69%	1,401	30%	3,307	70%	1,679	27%	4,472	73%
4,432	78%	1,273	22%	4,378	77%	1,273	23%	5,310	74%	1,861	26%
762	37%	1,291	63%	650	35%	1,216	65%	796	37%	1,382	63%
1,755	46%	2,034	54%	1,663	47%	1,868	53%	2,063	47%	2,366	53%
1,626	86%	275	14%	1,581	86%	256	14%	1,827	83%	384	17%
1,467	43%	1,916	57%	1,544	45%	1,910	55%	1,523	37%	2,539	63%

ing to accept wage concessions to make some projects feasible in the face of declining oil revenues.

One thing is assured about the issue of resident hire in Alaska: it will be an issue policy makers will be forced to wrestle with for the next 15 years just as they have during the last 15 years. There are no immediate answers to the questions raised by this issue about the health of the Alaskan economy. Continued research is being conducted by Research and Analysis which will deal with the limitations that the first cross-match was not

Table 6
1984 U.I. Average Covered Wages by 1984 Permanent Fund Recipients and Nonrecipients, by Economic Region and Census Area

	1st Quarter			2nd Quarter		
	Recipients Av Wages	Nonrecip Av Wages	% of Recip	Recipients Av Wages	Nonrecip Av Wages	% of Recip
Alaska Statewide	5,936	4,477	75%	6,029	4,081	68%
Anchorage-MatSu Region	5,849	3,769	64%	5,968	3,631	61%
Anchorage Borough	5,918	3,807	64%	6,019	3,661	61%
MatSu Borough	4,609	2,910	63%	5,090	3,010	59%
Gulf Coast Region	5,118	3,776	74%	5,264	3,240	62%
Kenai Peninsula Borough	5,551	4,764	86%	5,739	3,743	65%
Kodiak Island Borough	4,399	3,523	80%	4,276	2,893	68%
Valdez-Cordova	4,500	1,975	44%	4,796	2,357	49%
Interior Region	6,012	4,703	78%	6,215	4,220	68%
Fairbanks North Star Borough	6,124	4,678	76%	6,398	4,214	66%
Southeast Fairbanks	3,832	2,196	57%	3,602	1,897	53%
Yukon-Koyukuk	5,627	5,881	105%	5,421	5,244	97%
Northern Region	8,425	10,608	126%	8,128	9,342	115%
Kobuk	4,212	4,746	113%	4,190	4,961	118%
Nome	3,863	3,461	89%	4,066	3,624	89%
North Slope Borough	10,674	11,736	110%	10,203	10,297	101%
Southeast Region	6,072	3,444	57%	6,194	3,573	58%
Haines Borough	4,147	3,522	85%	4,663	4,387	94%
Juneau Borough	7,081	4,298	61%	7,128	4,004	56%
Ketchikan Gateway Borough	5,036	3,528	70%	5,322	3,612	68%
Prince of Wales-Outer Ketchikan	3,709	2,923	79%	4,519	3,369	75%
Sitka Borough	5,091	3,315	65%	4,839	3,117	64%
Skagway-Yakutat-Angoon	3,435	2,824	82%	3,894	3,009	77%
Wrangell-Petersburg	3,923	1,866	48%	4,152	2,711	65%
Southwest Region	3,969	3,163	80%	3,909	2,854	73%
Aleutian Islands	4,625	2,719	59%	5,113	2,929	57%
Bethel	3,764	3,516	93%	3,871	3,295	85%
Bristol Bay Boruugh	4,402	3,597	82%	4,376	2,928	67%
Dillingham	4,234	4,147	98%	3,778	2,351	62%
Wade Hampton	3,446	2,946	85%	2,744	2,216	81%
Geographic Area Unknown	7,271	5,502	76%	7,658	4,586	60%

Source: Alaska Department of Labor, Research and Analysis Section

able to resolve. The findings of that study should be available prior to the opening of the second session of the Fourteenth Legislature in January. The current research being done will not provide all of the answers to the complicated issue of resident hire but it will be a step toward creating a database upon which upon which long term policy can be formulated.

3rd Quarter			4th Quarter			Total 1984		
Recipients Av Wages	**Nonrecip Av Wages**	**% of Recip**	**Recipients Av Wages**	**Nonrecip Av Wages**	**% of Recip**	**Recipients Av Wages**	**Nonrecip Av Wages**	**% of Recip**
5,862	4,153	71%	5,984	4,082	68%	20,681	10,021	48%
5,826	3,711	64%	6,052	3,798	63%	20,744	8,852	43%
5,913	3,753	63%	6,129	3,835	63%	21,050	8,968	43%
4,400	2,980	68%	4,815	3,138	65%	15,823	6,758	43%
4,965	3,353	68%	5,237	3,269	62%	17,328	7,888	46%
5,301	3,701	70%	5,777	3,821	66%	18,971	9,289	49%
4,536	3,080	68%	4,153	2,923	70%	14,399	7,155	50%
4,239	2,888	68%	4,532	2,329	51%	15,070	5,550	37%
6,337	4,438	70%	5,937	4,135	70%	21,165	10,559	50%
6,594	4,449	67%	6,088	4,120	68%	21,969	10,531	48%
3,321	2,172	65%	3,854	2,630	68%	11,544	5,175	45%
5,108	5,265	103%	5,258	4,979	95%	17,561	13,326	76%
7,423	8,537	115%	7,971	8,742	110%	27,110	24,955	92%
3,506	4,964	142%	4,002	4,570	114%	12,874	12,299	96%
3,634	4,597	126%	3,841	4,317	112%	12,090	9,842	81%
9,711	9,508	98%	10,556	9,960	94%	36,253	28,445	78%
6,127	3,773	62%	6,073	3,392	56%	21,877	8,548	39%
4,330	4,160	96%	3,908	3,180	81%	14,574	9,489	65%
7,222	4,063	56%	7,116	4,114	58%	26,387	10,097	38%
4,624	3,876	84%	4,819	3,562	74%	17,217	8,652	50%
4,320	3,793	88%	4,105	3,568	87%	14,079	8,504	60%
4,876	3,626	74%	4,910	3,346	68%	16,735	8,100	48%
3,537	3,346	95%	3,685	2,927	79%	11,847	7,553	64%
4,376	3,295	75%	3,941	1,964	50%	13,822	5,644	41%
3,341	3,936	118%	3,836	3,946	103%	11,925	8,463	71%
4,965	4,086	82%	4,996	4,018	80%	16,460	8,618	52%
3,015	3,319	110%	3,541	3,216	91%	11,265	7,909	70%
3,858	4,391	114%	4,409	4,415	100%	13,408	9,179	68%
3,235	3,982	123%	3,846	4,128	107%	11,391	8,519	75%
2,583	2,451	95%	3,380	3,090	91%	9,633	6,418	67%
7,801	5,928	76%	6,434	5,049	78%	25,245	12,312	49%

Alaska

By Edward Eboch

Economic Outlook

The Alaska economy is receiving mixed signals as to the direction of economic activity. Alaska's nonagricultural wage and salary employment increased 3% over the month and was ahead of last years level by 2%. The unemployment rate experienced an uncharacteristic increase in June, however, the current unemployment rate of 9.5% is still below last years rate of 9.8%. There was good news for the Alaskan consumer, as the Anchorage consumer price index declined from March to May suggesting a more competitive market for goods and services in Alaska.

Anchorage Consumer Price Index

				Changes:	
	May 1985	**March 1985**	**May 1984**	**2 Months**	**1 Year**
All Urban Consumers	278.8	280.0	275.3	-0.4	1.3
Urban Wage Earners & Clerical Workers	273.1	271.9	265.7	-0.4	2.3

Source: Bureau of Labor Statistics

The month to month gains in nonagricultural wage and salary employment were concentrated in those industries that historically have seasonal gains this time of year-manufacturing, construction and tourism related trade and services. Construction continues at a brisk pace as evidenced by employment in this industry even though down by 5% from last year. The decline in state and local government employment is a result of educational institution layoffs for the summer months. The drop in federal government employment reflects the transfer of the Alaska Railroad to the state.

Economic Indicators

Total housing permits issued during the first five months of 1985 are down 48.6% statewide. This decline appears to be fairly evenly distributed around the state as is indicated from Table I. The decline in total housing starts are beginning to be reflected in the construction employment numbers. For additional information on economic indicators for Alaska contact the Department of Commerce and Economic Development, Economic Analysis Section.

The Department of Labor, Research and Analysis, Demographic

Table I
Total Housing Units Authorized by Building Permits and Public Contracts January to May

	1985	1984	Percent Change
Anchorage	1058	2283	-53.7%
Fairbanks	107	233	-54.1%
Juneau	94	207	-54.6%
Statewide	1582	3078	-48.6%

Source: Department of Commerce and Economic Development.

Table II
Population Estimates for Alaska Boroughs and Census Areas

Census Area	Revised July 1, 1983 Estimate	Revised July 1, 1984 Estimate
Aleutian Islands Census Area	8,048	8,255
Anchorage Borough	227,246	243,829
Bethel Census Area	11,240	11,446
Bristol Bay Borough	1,167	1,134
Dillingham Census Area	5,072	5,171
Fairbanks North Star Borough	63,150	64,186
Haines Borough	1,819	1,839
Juneau Borough	23,009	23,729
Kenai Peninsula Borough	35,137	38,285
Ketchikan Gateway Borough	12,584	12,705
Kobuk Census Area	5,484	5,684
Kodiak Island Borough	12,226	12,381
Matanuska-Susitna Borough	24,734	29,836
Nome Census Area	7,581	7,888
North Slope Borough	5,318	5,367
Prince of Wales-Outer Ketchikan C.A.	4,638	4,652
Sitka Borough	7,665	7,611
Skagway-Yakutat Angoon Census Area	3,791	3,716
Southeast Fairbanks Census Area	6,237	6,275
Valdez-Cordova Census Area	8,774	8,730
Wade Hampton Census Area	5,203	5,185
Wrangell-Petersburg Census Area	6,660	6,625
Yukon-Koyukuk Census Area	8,507	8,519
State Total	495,290	523,048

Source: Alaska Dept. of Labor, Research & Analysis, Demographic Unit, 1985.

Unit has released its population estimates for Alaska Boroughs and Census Areas (Table II). These numbers may not agree with other sources of population data but are estimated according to approved U.S. Census procedures.

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

				Changes From:	
	P/ 6/85	R/ 5/85	6/84	5/85	6/84
Nonag. Wage & Salary	238200	231300	233500	6900	4700
Mining	9500	9400	8900	100	600
Construction	21700	18800	22800	2900	-1100
Manufacturing	14100	12100	13800	2000	300
Food & Kindred Prod.	8000	6200	7700	1800	300
Lumber & Paper Prod.	2800	2600	2800	200	0
All Other Mfg.	3300	3300	3300	0	0
Trans. Comm. & Utilities	20300	18900	19900	1400	400
Trucking & Whseing.	2400	2100	2600	300	-200
Water Transportation	1500	1300	1400	200	100
Air Transportation	6800	6300	6400	500	400
Other Trans. Comm. & Utilities	9600	9200	9500	400	100
Trade	46800	45400	46400	1400	400
Wholesale	9100	8900	9000	200	100
Retail	37700	36500	37400	1200	300
Gen. Mer. & Apparel	5200	5000	5200	200	0
Food Stores	6300	6200	6100	100	200
Eating & Drinking Pl.	14000	13400	13600	600	400
Other Retail Trade	12200	11900	12500	300	-300
Finance-Ins. & R.E.	13500	13100	12800	400	700
Services & Misc.	45500	44300	44400	1200	1100
Government	66800	69300	64500	-2500	2300
Federal	17800	17700	18900	100	-1100
State	19600	19800	18800	-200	800
Local	29400	31800	26800	-2400	2600

Prepared in cooperation with the U.S. Department of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes Preliminary Estimates
R/ Denotes Revised Estimates

Labor Force By Region and Census Area

	Labor Force			**Unemployment**			**Rate**			**Employment**		
	P/ 6/85	**R/ 5/85**	**6/84**	**P/ 6/85**	**R/ 5/85**	**6/84**	**P/ 6/85**	**R/ 5/85**	**6/84**	**P/ 6/85**	**R/ 5/85**	**6/84**
Alaska Statewide	260658	255716	253984	24702	23522	24820	9.5	9.2	9.8	235956	232194	229164
Anch.-MatSu Region	139486	137239	133246	11624	11017	10490	8.3	8.0	7.9	127862	126222	122756
Anchorage Borough	124697	122578	119442	9423	8782	8771	7.6	7.2	7.3	115274	113796	110671
MatSu Borough	14789	14661	13804	2201	2235	1719	14.9	15.2	12.5	12588	12426	12085
Gulf Coast Region	28269	27666	28040	2842	3210	3251	10.1	11.6	11.6	25427	24456	24789
Kenai Peninsula Bor.	17619	17247	17517	2102	2323	2390	11.9	13.5	13.6	15517	14924	15127
Kodiak Island Bor.	6474	6343	6288	468	566	432	7.2	8.9	6.9	6006	5777	5856
Valdez-Cordova	4176	4076	4235	272	321	429	6.5	7.9	10.1	3904	3755	3806
Interior Region	38562	37689	38288	4740	4811	4626	12.3	12.8	12.1	33822	32878	33662
Fairbanks North Star Borough	31294	30603	31048	3968	4040	3852	12.7	13.2	12.4	27326	26563	27196
Southeast Fairbanks	2990	2943	3014	238	268	275	8.0	9.1	9.1	2752	2675	2739
Yukon-Koyukuk	4278	4143	4226	534	503	499	12.5	12.1	11.8	3744	3640	3727
Northern Region	8844	8631	8433	1325	751	1274	15.0	8.7	15.1	7519	7880	7159
Kobuk	2785	2713	2756	426	240	510	15.3	8.8	18.5	2359	2473	2246
Nome	3704	3645	3560	556	347	563	15.0	9.5	15.8	3148	3298	2997
North Slope Borough	2355	2273	2117	343	164	201	14.6	7.2	9.5	2012	2109	1916
Southeast Region	34053	33060	34473	3153	2956	3962	9.3	8.9	11.5	30900	30104	30511
Haines Borough	1057	1060	1083	84	112	122	7.9	10.6	11.3	973	948	961
Juneau Borough	13197	12687	13070	1237	1034	1260	9.4	8.2	9.6	11960	11653	11810
Ketchikan Gateway Borough	7196	7003	7389	642	618	918	8.9	8.8	12.4	6554	6385	6471
Prince of Wales-Outer Ketchikan	2473	2469	2606	246	300	407	9.9	12.2	15.6	2227	2169	2199
Sitka Borough	4262	4119	4286	316	275	390	7.4	6.7	9.1	3946	3844	3896
Skagway-Yakutat-Angoon	2084	2051	2095	238	252	272	11.4	12.3	13.0	1846	1799	1823
Wrangell-Petersburg	3784	3671	3944	390	365	593	10.3	9.9	15.0	3394	3306	3351
Southwest Region	11444	11431	11504	1018	777	1217	8.9	6.8	10.6	10426	10654	10287
Aleutian Islands	2707	2734	2746	94	64	168	3.5	2.3	6.1	2613	2670	2578
Bethel	4548	4472	4636	520	356	662	11.4	8.0	14.3	4028	4116	3974
Bristol Bay Borough	435	444	437	25	25	33	5.7	5.6	7.6	410	419	404
Dillingham	1854	1910	1840	126	144	135	6.8	7.5	7.3	1728	1766	1705
Wade Hampton	1900	1871	1845	253	188	219	13.3	10.0	11.9	1647	1683	1626

P/ Preliminary R/ Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska'a CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Anchorage/MatSu

By Greg Huff

Palmer Employment 1980-1984

Each month nonagricultural wage and salary employment statistics are published for the Anchorage/MatSu region, but not for smaller geographic areas within the region. The conversion of the Department of Labor ES-202 data to the 1980 census areas has made it possible to view employment in much finer detail for the region. The Wasilla area was examined last month. This month the Palmer area, which encompasses the city of Palmer, Bodenberg Butte, Sutton, Eska and Chickaloon will be analyzed. In view of this analysis several forces have been identified that have contributed to the development of Palmer.

Palmer began with the establishment of the Matanuska farm colony during the Depression and soon became the primary regional center for the MatSu valley. Palmer was the area's original first class city with a full spectrum of municipal services. Palmer's economic base was farming but eventually government became more important, although farming remains a significant part of the community. Today Palmer is the seat of the Matanuska-Susitna Borough government, base for the MatSu Borough School District and home for field offices of the state and federal governments.

The flood of Anchorage workers causing the most recent economic change to the MatSu valley did not impact Palmer to the same degree Wasilla was affected. The population expansion was less sensational in Palmer hence the economic expansion there was slower. Palmer's employment growth rate was still among the fastest in the state, third behind Wasilla (25%) and Soldotna (87%). The city of Palmer's population increased from 2,141 to 2,792 during the period 1980 to 1984, a 30% gain, while Wasilla's total population passed Palmer's with 125% growth during the same period. Even though Wasilla's total population is greater, a higher proportion of Palmer residents live and work in Palmer. This is because Wasilla residents are more likely to commute to Anchorage.

Palmer's total employment grew twice as fast as population growth—increasing 66% from 1980 to 1984. During this period employment in Palmer decreased from 72% of total MatSu employment to 59% while Wasilla increased from 18% of total MatSu employment to 32%. In the years ahead, Wasilla is likely to continue to grow faster than Palmer, but its economy will be based on serving the commuter population with goods and services rather than serving local Borough residents with governmental and utility needs. Palmer will remain the governmental center and base for the utilities in the Borough.

During the expansion of the last few years, entrepreneurs took advantage of the positive economic environment and started new businesses and expanded existing businesses. The number of firms in Palmer increased from 222 to 320 and employees per firm grew from 11.1 to 12.9. Along with employment increases came wage and salary increases. Total annual wage and salary earned by Palmer workers increased from $50.2 million to $109.6 million and average monthly earnings rose from $1,702 to 2,732: a 9.9% compound annual growth rate which is almost twice the rate of inflation.

Palmer is the regional 'capital' for the borough containing the MatSu Borough government and school district headquarters,

Palmer Employment
1980-1984

	1980
Total Employment	2259
Mining	12
Construction	80
Manufacturing	38
Transportation	259
Total Trade	466
Wholesale Trade	27
Retail Trade	439
FIRE	104
Services	261
Government	1039
Federal	78
State	400
Local*	560
Number of Firms	222

* Palmer local employment adjusted to reflect local government

and borough based federal and state offices which provide stable jobs. In 1984 government represented 38% of total wage and salary jobs in Palmer. This share, however, is down from 46% in 1980 as Palmer's economy has diversified away from government. New jobs have been gained in the transportation, communications and utilities, services, and construction industries. The construction industry was a major benefactor of population increases and state sponsored capital projects such as schools, community centers, fire houses, and roads. Local construction employment grew from 80 jobs in 1980 to 300 jobs in 1984 making construction the fastest growing industry in the Palmer area. Because of the difference in population growth between Wasilla and Palmer, construction employment in Wasilla grew twice as fast as in Palmer. The need for additional housing, retail and office space was much greater in Wasilla. (Note: This includes Palmer based construction firms only. Anchorage based construction firms doing work in the Palmer area will most likely be counted in Anchorage.)

Next to government, trade is the largest sector of the Palmer economy representing 21% of employment. Employment in trade grew 69% in Palmer from 1980 to 1984. Because Palmer is the headquarters for the MatSu valley's utility and communi-

1981	**1982**	**1983**	**1984**	**Percent Change**
2400	2758	3178	3748	66%
59	81	8	0	-100%
99	226	260	300	275%
86	49	41	55	45%
280	311	452	517	99%
419	502	629	787	69%
25	31	34	57	113%
394	471	595	730	66%
98	133	137	164	57%
277	304	386	517	119%
1084	1154	1266	1408	36%
61	60	67	57	-27%
456	540	591	646	61%
567	555	608	705	26%
210	244	284	320	44%

employment allocated to Wasilla.

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

	P/ 6/85	R/ 5/85	6/84	Changes From: 5/85	6/84
Nonag. Wage & Salary	117550	115150	114050	2400	3500
Mining	4100	4200	3900	-100	200
Construction	11050	9800	11350	1250	-300
Manufacturing	3150	2700	2950	450	200
Food & Kindred Prod.	900	500	850	400	50
Other Mfg.	2250	2200	2100	50	150
Trans. Comm. & Utilities	9700	9250	9700	450	0
Trucking & Whseing	1250	1150	1450	100	-200
Water Transportation	350	400	350	-50	0
Air Transportation	3900	3700	3950	200	-50
Other Trans. Comm. & Utilities	4200	4000	3950	200	250
Trade	28300	27600	27300	700	1000
Wholesale	6800	6750	6650	50	150
Retail	21500	20850	20650	650	850
General Merchandise	1500	1500	1600	0	-100
Food Stores	3150	3100	3000	50	150
Eating & Drinking Pl.	8500	8050	8100	450	400
Other Retail Trade	8350	8200	7950	150	400
Finance-Ins. & R.E.	9050	9100	8800	50	350
Services & Misc.	26550	26400	25400	150	1150
Government	25550	26100	24650	-550	900
Federal	9900	9700	10300	200	-400
State	6850	6900	6200	-50	650
Local	8800	9500	8150	700	650

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

	P/ 6/85	R/ 5/85	6/84	Changes From: 5/85	6/84
Nonag. Wage & Salary	125750	123100	120900	2650	4850
Mining	4150	4250	3900	-100	250
Construction	12050	10650	12550	1400	-500
Manufacturing	3400	2900	3150	500	250
Trans. Comm. & Utilities	10450	9950	10350	500	100
Trade	30050	29300	29000	750	1050
Finance-Ins. & R.E.	9650	9600	8850	50	800
Services & Misc.	28150	27950	26400	200	1750
Government	27850	28500	26700	-650	1150

cations companies the proportion of jobs in this industry is high in comparison to Wasilla. In 1984, 14% of all wage and salary jobs in Palmer were based in this industry expanding from 11% in 1980. Employment in this industry increased by 99% during the period making it among the fastest growing industries in the community. The second fastest growing industry behind construction was services. Employment in services grew 119% from 1980 to 1984. The addition to the Valley Hospital was a major force in the creating new jobs in the early part of the period while business and personal services came on strong in 1983 and 1984.

Anchorage Current Trends

Seasonal hiring in Anchorage for June was in full swing in the construction, seafood processing, transportation, communications and utilities, and trade industries while normal lay-offs occurred at local and state educational facilities for summer break. Over all, Anchorage employment increased by 2,400 from May to June, to 117,550.

Construction was, as normal, the primary seasonal employment gainer for June, increasing by 1,200 jobs (11%). On the other hand, construction employment registered a small decline from year-ago levels. All indicators show that construction employment will remain below 1984 levels and gradually slide further as the backlog of many commercial and public building projects are completed. Road construction is the highlight of this construction season with employment up over 12% above last seasons levels. Numerous projects have geared up this year with Dimond street and A/C couplet being the largest. Residential construction employment is down 31%, reflecting the 53% decline in building permits. Many residential contractors have shifted to small commercial building and remodel projects. Nonresidential construction remains close to year-earlier levels; although the dollar valuations for permits are down, the backlog of projects continues to retain similar employment levels. The federal and state government employment numbers continue to reflect the transfer of the Alaska Railroad to state ownership from federal ownership.

Fairbanks/Interior

By Neal Fried

Nineteen Eighty-Five Capital Projects

Beginning in 1980, capital project dollars became a major impetus to the economic boom that Fairbanks and surrounding communities have experienced since 1980-1981. In spite of falling oil revenues and a smaller capital projects appropriations this year, this source of funds remains a major contribution to construction activities. Though not all moneys appropriated through the capital projects bill is for construction, more than 90% will go to this purpose.

Before going into more detail, 1985's budget should be discussed because it presented some unique problems. In past years it was usually not difficult to allocate capital project dollars geographically and this year the Capital Projects bill (Senate bill 27) is reasonably straight forward. However, another bill, the reappropriation bill makes the allocation process more difficult. This bill is a result of different departments in state government identifying unspent capital project funds. In the process a large amount of money was found and reallocated, in some cases to new capital projects. These monies will not be included in the numbers discussed below because they had already been allocated in past years capital projects figures. Without researching each allocation (there are hundreds) it is difficult to ascertain whether the money has already been spent or where it originally came from. In most cases if the original allocation was for Fairbanks, it was reallocated to a Fairbanks project.

This years capital project funds were affected by smaller oil revenues, though not as much as many people believe. Capital project funds came in higher than 1980 and 1982 levels for Fairbanks and higher than 1982's level in rural Interior. This year's available funds for capital projects were $864 million compared to $946 million last year. This year's dollar amount was approximately $71 million for Fairbanks and $31 million for rural Interior, a decline from last year's record of $112 million for Fairbanks and $83 million for the Interior. Ninety eighty-five's capital project funding is below Fairbanks' average for the past five years of $87 million and below Interior's five year average

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

	P/	R/		Changes From:	
	6/85	5/85	6/84	5/85	6/84
Nonag. Wage & Salary	29500	28350	29000	1150	500
Mining	200	150	200	50	0
Construction	3350	2950	3450	400	-100
Manufacturing	600	550	550	50	50
Trans. Comm. & Utilities	2900	2750	2950	150	-50
Trucking & Whseing	550	500	500	50	50
Air Transportation	800	750	800	50	0
Other Trans. Comm. & Utilities	1550	1500	1650	50	-100
Trade	6400	6150	6300	250	100
Wholesale	1100	1050	1100	50	0
Retail	5300	5100	5200	200	100
Gen. Mer. & Apparel	600	550	550	50	50
Food Stores	800	800	850	0	-50
Other Retail Trade	3900	3750	3800	150	100
Finance-Ins. & R.E.	1000	950	1000	50	0
Services & Misc.	5800	5450	5600	350	200
Government	9250	9400	8950	-150	300
Federal	2900	2800	2900	100	0
State	3800	3750	3550	50	250
Local	2550	2850	2500	-300	50

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

	P/	R/		Changes From:	
	6/85	5/85	6/84	5/85	6/84
Nonag. Wage & Salary	33800	32550	33800	1250	0
Mining	350	250	300	100	50
Construction	3400	3000	3600	400	-200
Manufacturing	650	600	600	50	50
Trans. Comm. & Utilities	3600	3450	3750	150	-150
Trade	6850	6550	6750	300	100
Finance-Ins. & R.E.	1050	1000	1050	50	0
Services & Misc.	6200	5800	6000	400	200
Government	11700	11900	11750	-200	-50

of $55 million. In the long run this smaller amount will contribute to an already weakening construction industry, particularly if smaller budgets become a trend.

In light of declining oil revenues this trend is a more than likely scenario. This is not to say the outlook is bleak, as this year's budget remains above historical levels and it does not represent a dramatic decline from the near past. It simply will not provide any impetus for further growth in the construction industry. The list of projects is long and varied. The projects run in size from $2,500 to $19 million, with 14 projects in excess of one million dollars. Included in this list of projects is $19 million for the Geist Road extension in Fairbanks, four million dollars for the Stevens Village school completion, $30,000 for a dump truck for Dot Lake and $60,000 for the Rosie Creek Fire research project.

Current Trends

Fairbanks' June labor force figures did not follow the statewide trend. June's unemployment rate of 12.7% represents a slight decline from May but did come in slightly higher than the June 1984 rate of 12.4%. The new rate does represent a highly competitive labor market, and this condition is expected to persist in the near future.

On a more optimistic note, the nonagricultural wage and salary employment series moved up again in June. Though the growth rate is slowing, and certain industries such as construction are showing some weakness, most industries remain on the plus side. Manufacturing, trade, services and government all experienced gains. On balance there were 500 more jobs in Fairbanks during June compared to year-ago levels.

Gulf Coast

By Neal Fried

Nineteen Eighty-five Capital Projects

Since 1981, a record has been kept on capital projects dollars for the far-flung region of the Gulf Coast, an area covering the entire Kenai Peninsula, Kodiak Island, the Copper River region and Prince William Sound. This was done because the capital budget has become very important to the economies of most of the communities in the region.

For those communities where there are very small commercial and residential construction sectors, public construction dominates the construction industry. In 1980, when the large capital budgets began, these dollars along with other state revenues pushed many communities' economies into a growth mode. Even with a smaller capital budget this year, capital expenditures remain one of the largest sources of construction dollars in many areas of the region.

The capital budget did fall this year, but not quite as dramatically as was first reported. This year's funds made available for capital projects was $864 million compared with $946 million last year. Project funds for 1985 present some unique problems. In past years it has not usually been difficult to allocate the capital project dollars geographically and this year the capital projects bill (Senate Bill 27) is also reasonably straightforward. However, another bill, the reappropriation bill, makes the allocation process more difficult. This bill is a result of different departments in state government identifying unspent capital projects funds. In the process a large amount of money was found unspent and these funds were reallocated, in many cases to new capital projects. These monies will not be included in the numbers discussed below because they have already been allocated in past years capital projects figures. Without researching each allocation (there are hundreds), it is difficult to ascertain whether or not the monies for an area has already been spent or where it originally came from. In most cases, if the original allocation was for an area within a region, it was reallocated to the same region.

Nineteen Eighty-five's capital allocation for the region is the

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

	P/	R/		Changes From:	
	6/85	5/85	6/84	5/85	6/84
Nonag. Wage and Salary	22250	21300	21600	950	650
Mining	850	800	800	50	50
Construction	2150	1850	2100	300	50
Manufacturing	4000	3550	4000	450	0
Food & Kindred Prod.	3300	2850	3300	450	0
All Other Mfg.	700	700	700	0	0
Trans. Comm. & Utilities	2150	2100	2150	50	0
Trade	3900	3650	3650	250	250
Wholesale	600	550	600	50	0
Retail	3300	3100	3050	200	250
Finance-Ins. & R.E.	700	650	650	50	50
Services & Misc.	3400	3300	3200	100	200
Government	5100	5400	5050	-300	50
Federal	550	500	600	50	-50
State	1500	1500	1550	0	-50
Local	3050	3400	2900	-350	150

lowest since 1981. This year's dollar amount was approximately $74 million compared to $120 million last year. The $50 million allocated to Bradley Lake is not included (it was also excluded from 1984's figure) because it is earmarked for a project in the distant future. These lower dollar amounts will affect construction, particularly if it portends a more permanent trend toward leaner capital budgets. Construction employment has already peaked in the region and public construction will be lower this year. In spite of the falling revenue picture, construction will by no means collapse. The $74 million will be supplemented to an extent by the reappropriation bill and through some creative financing by the City of Seward.

The state did not make an appropriation this year for the construction of the planned prison in Seward. The city of Seward, however, did not let this stop them. They will raise the balance of the money needed to build the prison ($22 million was allocated in past years capital budgets) and will lease the prison to the state. The total cost of the prison will be approximately $52 million. Construction is planned to begin this fall. Although the public sector's capital expenditures have yet to fall dramatically, the future picture of this revenue source does not look bright. Falling oil prices will directly affect the availability of capital funds, which in turn will pull construction employment levels further downward. Construction will not be the only loser as most other industries will also be affected.

Current Trends

The fishing season is upon the region and all the indicators are reacting. The region's unemployment rate bucked the statewide trend and dropped 1.5 percentage points, coming in at 10.1%. Fish processing employment got into full swing in June, and thus far the salmon season has been good. The 450 cannery workers hired in June were a major factor influencing the unemployment rate.

Though fish processing was the largest contributor to employment in June, all other industries also saw an increase in employment with exception of government. Tourism and construction are both getting into full swing, affecting most other industries. Government employment fell because schools and community colleges pared their staffs for the summer season.

Southeast Alaska

By John Boucher

Petersburg Employment 1980-1984

Employment data for the community of Petersburg has not been available prior to the conversion of the Department of Labor's ES-202 data to the 1980 census areas. Previously, employment trends in Petersburg had to be gleaned by examining the data for the Wrangell-Petersburg census area, which of course also included the nearby community of Wrangell. For the first time we can examine employment trends just for the Petersburg area.

The community of Petersburg is located on the north end of Mitkof Island where Wrangell Narrows meets Frederick Sound. The area that this employment data represents includes Petersburg as well as the remainder of Mitkof Island, Vank Island, Scow Bay and West Petersburg (Kupreanof).

The Petersburg economy has traditionally been based upon the harvesting and processing of the area's renewable resources: fish and timber. Of these two, the fisheries industry plays the larger part in the local economy. In recent years Petersburg has been consistently ranked in the top 25 fishing ports in the nation, in terms of both volume and value harvested. The largest employer in the local area therefore is the manufacturing industry with the bulk of employment in the seafood processing industry. One point to remember when considering the total impact of the seafood industry on the Petersburg economy is that seafood harvesting employment is not included in these numbers. Fish harvesters are counted among the self-employed. This is significant when you consider that Petersburg is home port to one of Southeast Alaska's largest commercial fishing fleets.

Petersburg's second largest wage and salary employer is government, which provides stability that the manufacturing industry cannot. The local government is the largest employer of the three when employment by Petersburg City Schools is included. The next largest is federal government employment, which is fairly high for the size of the community largely because the U.S. Forest Service has its regional headquarters here for the Stikine portion of the Tongass National Forest. State government employment makes a small contribution, some of which is accounted for by the ferry system and by resource management personnel like the Department of Fish and Game.

Retail trade employment makes a solid contribution to the Petersburg economy, the largest contributions are in eating and drinking establishments, general merchandise stores and food stores. Construction employment though has been the fastest growing industry since 1980, growing 74% in the four year period. Much of the construction growth is attributable to state government funded capital projects the past several years such as the Petersburg Hospital.

One interesting thing to note is that manufacturing employment, in particular seafood processing, is playing a less dominant role in the Petersburg economy. An interesting sidelight to this is that Petersburg's average wage during this period increased by almost 48%, and these two occurrences are not unrelated. Seafood processing wages tend to be concentrated in the third quarter of the year when the salmon season is at its peak. The high employment numbers of several years ago were due in large part to the amount of fairly low paying employment that accompanies this third quarter activity. This average wage growth has been augmented by the increased construction activity in Petersburg because construction is consistently among the highest average wages paid.

During the last few years the Petersburg economy has become less dependent upon its traditional industries of seafood processing and timber, thanks in part to large state capital budgets. This trend will probably not continue because of the state's inability to invest as much revenue into capital construction as it has in the past. The next few years will be crucial ones for the community as it tries to find new sources of employment for the areas residents. Petersburg has been fairly immune to the boom-bust cycles that characterize other Southeastern cities because of its strong seafood industries employment base. This industry will probably resume its prominence in the local economy again as the state is less able to fund capital construction projects.

Petersburg Employment
1980-1984

Industry	1980 Average	1982 Average	1984 Average
Unknown	0	*	*
Agriculture	39	31	26
Mining	0	0	0
Construction	96	143	167
Manufacturing	*	532	*
Trans. Comm. & Utilities	56	81	67
Wholesale Trade	*	*	*
Retail Trade	167	198	209
Finance-Ins. & R.E.	*	28	31
Services	102	104	125
Government	420	422	408
Federal	173	161	129
State	69	91	100
Local	178	170	179
Total	1862	1473	1407
Average Wage	$1,391	$1,843	$2,020

* Nondisclosable

Employment and Unemployment in June

Southeast Alaska wage and salary employment increased by 950 jobs in the month of June to a total of 31,200. The increase represented a 3.1% increase in the number of jobs over May's total. Manufacturing and trade employment were the industries which experienced the largest job gains over the month. Manufacturing employment gains were equally divided between the lumber and paper products industry and the seafood processing industry, while the trade employment gains were registered almost entirely in the retail sector.

Government related employment was the only industry in the region to experience a decline in the number of jobs over the month, and this was due to the end of the school year and the end of the legislative session. Unemployment also increased slightly during the month, going from 8.9% to 9.3% for the Southeast region. The increase can be accounted for almost entirely in the Juneau census division, which had an increased number of government employees claiming unemployment benefits for the first time in June.

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

				Changes From:	
	P/ 6/85	R/ 5/85	6/84	5/85	6/84
Nonag. Wage & Salary	31200	30250	30700	950	500
Construction	1750	1600	2050	150	-300
Manufacturing	3750	3450	3700	300	50
Food & Kindred Prod.	1150	1000	1100	150	50
Lumber & Paper Prod.	2350	2200	2350	150	0
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2250	2100	2100	150	150
Trade	5150	4850	5100	300	50
Wholesale	400	400	400	0	0
Retail	4750	4450	4700	300	50
Finance-Ins. & R.E.	1150	1050	1100	100	50
Mining, Services & Misc.	5050	4750	4900	300	150
Government	12100	12450	11750	-350	350
Federal	2200	2100	2200	100	0
State	5550	5650	5600	-100	-50
Local	4350	4700	3950	-350	400

Hours and Earnings

By Kathy Thomas

Alaska's Timber Industry

Southeast Alaska's timber industry has experienced difficulties in the past few years. Reasons abound for the problems. In compliance with the Alaska Native Interest Lands Conservation Act, the U.S. Department of Agriculture's, Forest Service prepares a report on timber supply and demand for Southeast Alaska. In this report the Forest Service looks at various aspects of wood products supply and demand and the viability of the industry in Southeast Alaska. These impacts on supply and demand and their effects on wages in the timber industry will be examined. (Data relating to the forest products industry are from the Forest Service publication. Data relating to employment and wages are from the Department of Labor, Research and Analysis.)

Alaska's timber industry is heavily dependent on Japan and other Pacific Rim countries since almost all of Alaska's timber is exported. The timber situation as it currently exists between Alaska and Japan involves Japan importing 8% of its logs, lumber, and wood chips from Alaska, but Alaska exporting almost all of its wood products output to Japan. More than 90% of log and timber exports from Alaska went to Japan.

Three elements have been affecting Japan's demand for Alaska forest products: housing starts in Japan, competitive suppliers, and the exchange rate. In the first instance of Japanese housing starts, construction of housing has leveled off after a decline of 21% from 1980 to 1984. Also total floor space of wood based housing starts has declined 23% since 1980. Such a precipitous drop of wood use in a country that imports most of Alaska's timber would affect the amount demanded from Alaska.

The exchange rate and competitive suppliers are closely interrelated particularly when the competitor is outside the U.S. When the exchange rate makes one country's product too expensive the importing country will look to another country for more favorable prices. Most recently the U.S. dollar has been strong compared to the yen and was also strong against the

Canadian dollar. The highly valued dollar against the Canadian dollar and Japanese yen results in higher prices for U.S. products overseas compared to Canadian products. Therefore British Columbia exports are more favored.

Alaska's other major competitor for Japanese trade is the Pacific Northwest. Because of Alaska's small volume of wood products compared to the Pacific Northwest it has been viewed as the exporter of last resort. As long as Pacific Northwest suppliers have excess capacity the Japanese will continue buying from them. When excess capacity no longer exists Japanese and other buyers start looking to Alaska for forest products.

The result of all these factors trends is to reduce demand for Alaska timber and decrease employment in the Southeast Alaska timber industry. Annual average employment in 1981 was 2420. By 1984 that figure declined to 1920, a 21% drop. The decreases in employment have been accelerating. The change from 1981 to 1982 was 5%, from 1982 to 1983, 7%, from 1983 to 1984, 10%, the percentage change getting larger as the years progress.

The drops in employment have been accompanied by stagnated average monthly wages in the timber harvesting industry. The percentage increase in nominal wages from 1981 to 1984 was 2.5%. When wages are adjusted for the inflation rate, they declined 8% from 1981 to 1984. As more people become unemployed in the timber industry, wages will be bid down as those unemployed try to get back to work, particularly in smaller towns where employment options are limited. As long as the timber industry remains depressed, the most probable outlook would be for continued lower wages in an attempt by the industry to lower operating costs and a willingness of workers to accept a cut in pay to remain working or to return to work.

Footnote: Additional information on Southeast timber supply and demand can be found in *Timber Supply and Demand,* ANILCA, Section 706(a), Report Number 4, prepared by Joseph R. Mehrkens, U.S.D.A., Forest Service, Alaska Region.

Employment and Payroll in the Southeast Alaska Wood Products Industry

Year	Total Employment	Annual Average Employment	Total Payroll	Average Monthly Wages (Nominal)	Average Monthly Wages (Real)*
1981	29038	2420	86,884,549	$2992.10	$2992.10
1982	27696	2308	84,140,588	3038.01	2876.90
1983	25679	2140	79,853,335	3109.67	2895.41
1984	23039	1920	70,674,431	3067.60	2743.83

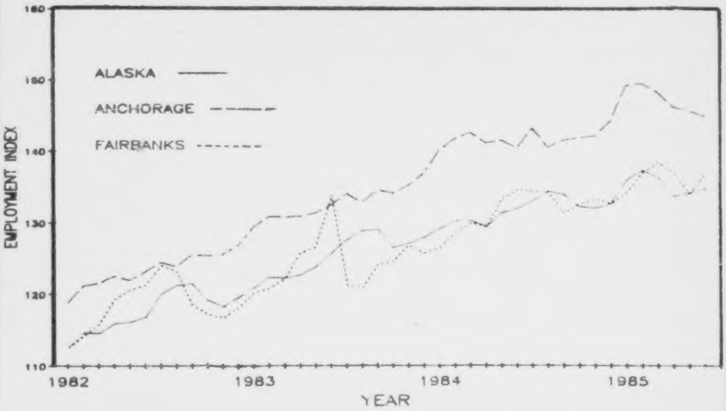
* In 1981 dollars

Current Events

Average weekly hours in mining turned upward as activity in these industries surged. The late ice and snow delayed the beginning of the usual summer upturn but once the weather changed the business moved quickly to take advantage of the milder weather. June average weekly hours increased 5.8% in mining and 3.6% in construction from May levels.

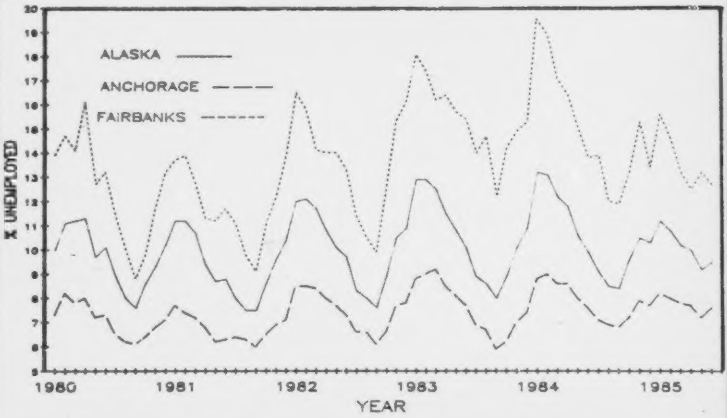
Manufacturing was struck by the anomaly of lower average hourly earnings combined with lower average weekly hours. Because the nature of the survey, which requires that employment, payroll, and hours be reported for the pay period that includes the twelfth of the month, employment occurring outside of that pay period would be missed. A halibut season was open from May 27 through May 29 for almost all of the Alaska coast. Employees were hired to handle this influx of fish but by the beginning of June the employees were still on record but the hours worked had dropped.

Composite Nonag. Employment Indexes Seasonally Adjusted 1982 to June



source: Ak. Dept. of Labor

Unemployment Rates Not Seasonally Adjusted 1980 to Present

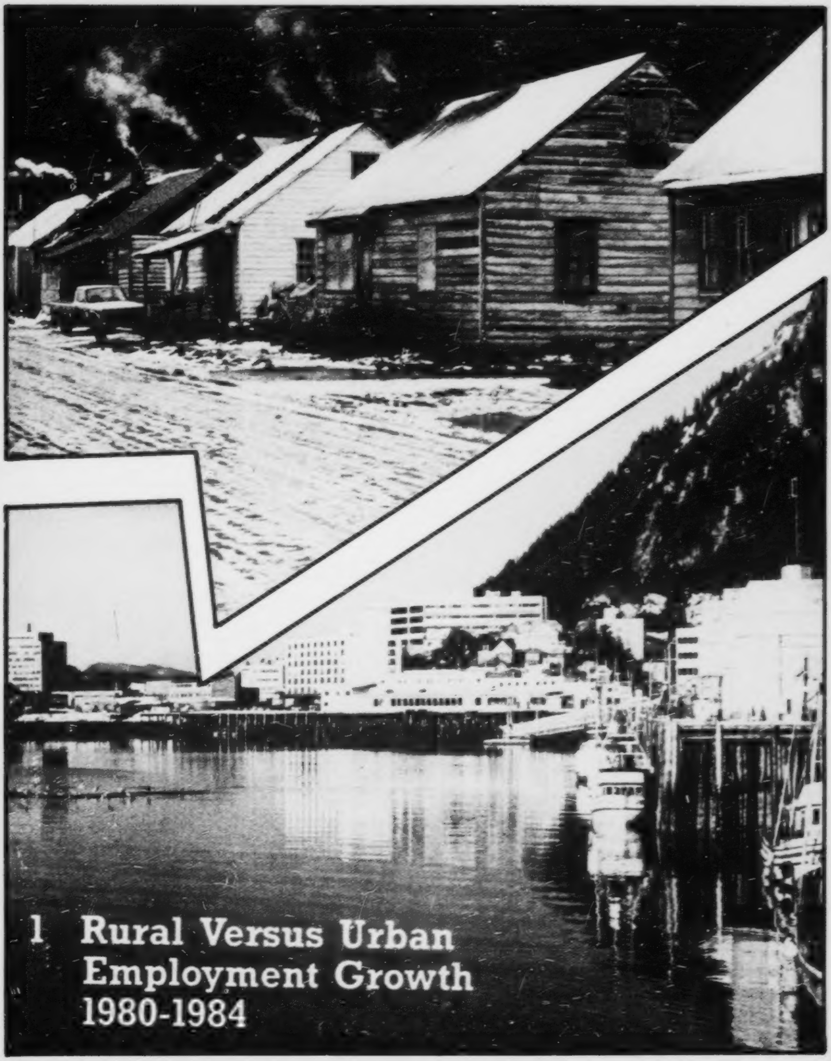


source: AK. Dept. of Labor

SEPTEMBER 1985

ALASKA ECONOMIC TRENDS

Alaska Department of Labor **Bill Sheffield, Governor, State of Alaska**



1 Rural Versus Urban Employment Growth 1980-1984

Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB
SERVICE

September 1985
Volume 5
Issue 9

Contents

Rural Versus Urban Employment Growth 1980-1984 1

Alaska-*July Employment Trends* 11
Anchorage/MatSu-*Anchorage Food Stores* 15
Fairbanks/Interior-*Interior's Income Standings* 20
Gulf Coast-*Retail Trade on the Kenai Peninsula* 25
Southeast Alaska-*Hoonah-Yakutat Employment Trends* 28
Hours and Earnings-*Revised Versus Preliminary* 32

Labor Force by Region and Census Area. . . . .Center Insert

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 25501, Juneau, Alaska 99802-5501

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Rural Versus Urban Employment Growth 1980-1984

By Neal Fried and Greg Huff

Introduction

Between 1980 and 1984 Alaska experienced a period of rapid economic expansion and employment growth. This growth was initiated by oil activity on the North Slope and a rapid increase in state expenditures.*1/* The benefits of the oil tax revenues began a new chapter in Alaska's history, allowing the state government to increase spending on its operating budget and provide large capital project grants, mortgage subsidies, dividend payments and tax relief. These factors created a favorable economic environment for increased private investment as well. However, the economic bonanza did not impact rural and urban areas of the state equally. This article examines the contrasting employment trends of rural and urban Alaska during this period.*2/*

The rural portions of the state represent over 90% of Alaska's land mass but account for only 24% of the population and 20% of employment statewide. The three most populous urban areas, Anchorage, Fairbanks and Juneau, are home to 64% of the state's residents and work place to 68% of the statewide labor force. The accompanying bar graph compares employment growth rates for the urban and rural areas of the state from 1980-1984. Over those 4 years, urban employment grew 34% while rural employment advanced 22%. The largest increase in employment for both areas was between 1980 and 1981. The rate of growth declined each year thereafter.

Industry Analysis

Construction was one of the driving forces behind employment growth in both the rural and urban areas. The rate at which jobs in the construction industry expanded between 1980 and 1984 exceeded that of all industries in either area. Construction in the rural areas grew at the phenomenal rate of 71% from 1980 to 1981, compared to an urban growth rate of 11%. During the next two building seasons urban and rural construction employment grew at about the same rate, but by the end of 1984 rural construction employment had begun to decline while urban construction employment continued to grow. The building boom lasted longer in the urban areas due to greater private investment. The rural areas relied more on government funded construction for their increases in construction activity. With the decline in available state funded projects the rural areas have been impacted to a greater extent than the urban areas.

Government is the largest employer in Alaska, accounting for 38% of all rural jobs and 27% of jobs in the urban areas. Local government in rural Alaska is the most important employer representing 25% of total employment compared to only 9% of total employment in the urban areas. However, over 89% of state workers are stationed in urban settings, which contain only 76% of the state's population. Rural local governments increased their employment 43% from 1980 to 1984 with help from the state, including capital and operating budget grants and enhanced funding for education. State government employment increased across the state at similar rates for both rural and urban locations as responsibility for some previously federal activities was transferred to the state and the increase in state budgets made it possible to provide more services. Federal government employment increased slightly in urban areas and fell in the rural areas due to declines in remote early warning stations and Bureau of Indian Affairs and Bureau of Land Management employment.

The manufacturing sector experienced the greatest loss of jobs between 1980 and 1984. Manufacturing employment fell 10% in urban areas and 26% in the rural areas during this period. The causes for the employment loss were the seafood processing sector, which had several bad shellfish seasons, and the depressed wood products industry. Since manufacturing is a basic industry in the rural Alaska economy the impact of these drops has been dramatic. Manufacturing employment in rural Alaska accounted for 16% of total nonagricultural wage and salary jobs in 1980 but fell to 10% of total nonagricultural wage and salary employment by 1984. The annual average number of manufacturing jobs fell from 5,788 in 1980 to 4,315 in 1984 while the number of employees per firm dropped from 32.1 to 23.5.

The mining industry, composed primarily of oil and gas extraction and exploration firms, is an industry in which urban and rural areas share about the same number of jobs. Anchorage contains most of the employment in the urban areas and the North Slope has the majority of mining employment in the rural areas. Mining in both urban and rural areas netted the same increase in the number of jobs during the period, although the two areas followed different growth patterns. The largest increases came between 1980 to 1981 in reaction to extensive oil field developments and increased exploration efforts. During this period urban employment increased 27% and rural employment increased by 40%. Between 1981 and 1983 employment declined by 5% in the urban support offices and 16% in the rural field offices. This decline was associated with a steep decline in exploratory drilling which hit a nine year low in 1982. Reversing direction again mining employment began to grow in 1984 with an upsurge in field development and enhanced recovery techniques.

Employment in the transportation, communications, and utilities sector grew 14% and 10% in rural and urban Alaska; relatively slowly compared to other industries. After two years of employment growth in rural areas totaling 18%, falling levels of employment in the water and air transportation industries caused two years of decline. The urban areas netted employment increases three out of the four years with gains in the gas and electric utilities and local telephone service sectors counteracting employment losses in the air transportation industry and long distance telephone services. Trucking employment levels were stagnant between 1980 and 1984.

The secondary industries (trade, services, finance-insurance and real estate) provided more new jobs during the four year period than all other industries combined. Because urban areas have a higher concentration of secondary industries, these areas experienced greater economic expansion over the period. Graph 2 points to a basic difference between urban and rural Alaskan economies. The secondary industries in urban locations represent a larger percent of the employment, accounting for 57% of the jobs compared to only 34% in rural areas. Urban areas also contain 87% of the secondary employment statewide. In rural areas, cash income and population required to support the secondary businesses do not exist; hence, the urban areas have become the distribution and commerce centers of the state. The two largest secondary sectors, trade and services, accounted for 55% of all jobs created between

1980 and 1984, twice as great as the 23% gain in trade and services in the rural areas.

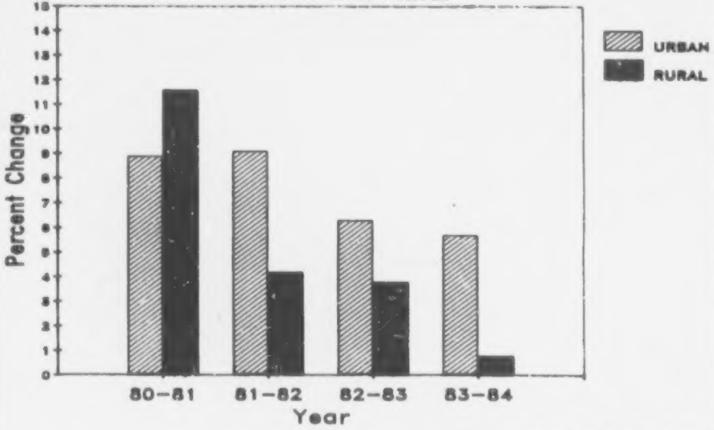
Geographic Analysis

Though the general statistics indicate a rural-urban dichotomy, it would be wrong to surmise that all urban areas have enjoyed unrelenting growth and all rural areas have lagged their urban counterparts. In both rural and urban Alaska there have been high growth, moderate growth, and low growth communities or areas. The experience of individual areas within the rural and urban boundaries has been extremely varied. In urban Alaska Wasilla's employment grew by 289% while Sitka lost 13% of its employment. The rural picture is also diverse. The rural portions of the MatSu Borough and the North Slope Borough both experienced employment growth (104% and 59%) and Wrangell-Petersburg and the Aleutian Islands both faced losses (19% and 3%).

The low growth areas are defined by employment growth of less than 10% over the four year period, and includes areas where employment declines occurred. There is a common thread in the rural and urban areas where actual losses occurred. All have strong manufacturing sectors (fish and wood processing) which have suffered declines over the past four years, particularly wood processing. The employment losers include two urban areas (Ketchikan and Sitka) and two rural areas (Aleutian Islands and Wrangell-Petersburg). The areas where growth has been at best anemic are also strongly tied to manufacturing. Kodiak, an urban area, has expanded employment opportunities slowly because of the poor shellfish industry while the employment conditions in rural Valdez-Cordova have been affected for similar reasons.

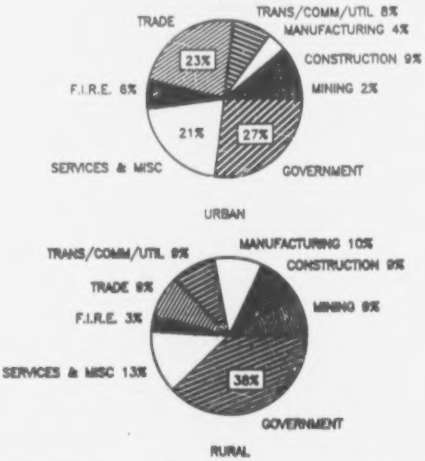
The moderate growth areas represent the largest group. Twelve of the 27 areas in Alaska fall in this category. They include locations as varied as Juneau and Bristol Bay Borough, Bethel and Kenai. Moderate may not be the correct term, particularly in a national context. In this article we define moderate growth as anything less than the statewide average of 33.5% and greater than 10%. This compares to 3.9% employment growth nationally for the same period. Most of the nation's communities would be very envious of our 'moderately' growing areas.

Graph 1
Percent Change in Employment
Urban and Rural



source: Ak. Dept. of Labor

Graph 2
Employment by Industry
Urban and Rural
1984



Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 6/85	R/ 5/85	6/84	P/ 6/85	R/ 5/85	6/84	P/ 6/85	R/ 5/85	6/84
Mining	22.96	23.15	23.22	51.2	48.4	48.4	1175.55	1120.46	1123.85
Contract Construction	24.28	23.37	24.50	45.9	44.3	41.9	1114.45	1035.29	1026.55
Manufacturing	11.66	12.07	11.77	37.3	41.4	39.5	434.92	499.70	464.92
Food & Kindred Prod.	7.62	8.17	7.52	33.1	40.5	38.0	252.22	330.89	285.76
Lumber & Paper Prod.	16.41	16.25	16.65	44.8	43.0	42.0	735.17	698.75	699.30
Trans., Comm. & Utilities	15.13	14.83	15.69	39.6	36.8	39.0	599.15	545.74	611.91
Trade	11.88	11.77	10.39	35.0	33.5	36.0	415.80	394.30	374.04
Wholesale	14.79	14.06	12.50	38.1	37.3	38.0	563.50	524.44	475.00
Retail Trade	10.64	10.76	9.52	33.9	32.1	35.3	360.70	345.40	336.06
Finance, Ins. & R.E.	—	—	—	—	—	—	469.63	417.90	383.45

1/ Prepared in cooperation with the Bureau of Labor Statistics U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and non-supervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

The high growth areas are those whose employment growth exceeded the statewide average. More than half of the urban areas fall in this category. Wasilla, with 289% growth in employment, was the fasting growing community in Alaska. The state's two largest communities, Anchorage and Fairbanks, were also in this category. The communities on this list were able to take greater advantage of the oil revenues and the resulting boom because their economies were able to capture more of these dollars and keep them circulating for a longer period of time. The major beneficiary was the secondary sector (trade, services, finance-insurance and real estate). Communities such as Wasilla and Palmer benefitted from their proximity to Anchorage. Of the 17 rural areas there were only four that fit the classification of high growth. The rapid growth in the rural MatSu Borough was simply an extension of what was happening in Palmer and Wasilla. The North Slope benefitted both from expansion in the oil fields and the North Slope Borough's rapid capital improvements schedule and expansion of services to its residents.

Conclusion

During the past four years both rural and urban Alaska have enjoyed rapid rates of employment growth. Urban Alaska has been a bigger beneficiary of the states oil largess, but the rural areas of the state have also reaped substantial benefits. The differences are the result of differing economic mixes and community sizes. Larger communities in the state have more developed basic and secondary sectors which mean dollars spent in these communities have greater circulation power and in turn create more employment. It is important, however, to examine different areas of the state individually, as conditions of employment are different in both the rural and urban areas of Alaska.

Nineteen eighty-four may have been an end of the era of rapid growth induced by oil revenues. In 1985 Alaska has experienced a substantial slowdown in the economy and construction, one of the leading industries during this era, has actually been suffering losses this year. Some have predicted that rural Alaska may feel the brunt of this slowdown and some of the data appears to support this theory. Their dependence on construction and government employment will mean falling oil revenues may be felt more quickly and directly. The fact that they have been growing more slowly than Alaska's urban areas and lack a broad based economy gives them less cushion during a period of economic decline. Both rural and urban Alaska may face difficulties adjusting to this slower pace, particularly if absolute losses in employment occur. If, however, just a slowdown in our growth pace is in store, the future may be easier to digest.

Footnotes

1/ State revenues increased from $874 million in 1977 (the year pipeline construction was completed) to $2.5 billion by 1980, and peaked at $4.1 billion in 1982. By 1984 revenue had fallen to $3.4 billion.

2/ For the purposes of this study, census areas were categorized as urban if they contained a community of 5,000 or more people that represented 75% of the census area's population. Every city over 5,000 people was categorized as urban even if the city was located in a rural census area. A rural area was defined as an area that did not meet the criteria for being called urban. One notable exception to the urban/rural definition was the Kodiak census area. Since the Coast Guard Station is not included in the population of the city, the Kodiak census area would not fall into the urban category if the above definition were applied. However, we included Kodiak in the urban because 96% of all employment in the Kodiak Census area is located in the city of Kodiak and its immediate surroundings. (See Table 3 for a list of the urban/rural breakout.)

Table 3
Urban/Rural Employment by Geographic Area
1980 and 1984

Urban Areas	**1980 Annual Average**	**1984 Annual Average**	**Percent Change 80-84**
Anchorage Borough	78175	108455	38.7%
Fairbanks North Star Borough	20933	27661	32.1%
Juneau Borough	10865	13431	23.6%
Kenai	4233	5177	22.3%
Ketchikan Gateway Borough	5871	5721	-2.6%
Kodiak Island Borough	4642	4862	4.7%
Palmer	2457	4136	68.3%
Sitka Borough	3742	3268	-12.7%
Soldotna	1401	2622	87.2%
Wasilla	528	2055	289.2%
Rural Areas			
Aleutian Islands	3248	3136	-3.4%
Bethel	3552	3907	10.0%
Bristol Bay Borough	768	956	-24.5%
Dillingham	1563	1895	21.2%
Haines Borough	573	698	21.8%
Kenai Peninsula Borough (Rural)	2673	3496	30.8%
Kobuk	1438	1777	23.6%
Matanuska/Susitna Borough (Rural)	101	206	104.0%
Nome	2127	2647	24.4%
North Slope Borough	6033	9578	58.8%
Prince of Wales-Outer Ketchikan	1275	1680	31.8%
Skagway-Yakutat-Angoon	1354	1943	43.5%
Southeast Fairbanks	1081	1350	24.9%
Valdez-Cordova	3468	3684	6.2%
Wade Hampton	1017	1249	22.8%
Wrangell-Petersburg	2967	2402	-19.0%
Yukon-Koyukuk	2546	2964	16.4%

Alaska

By Edward Eboch

July Employment Trends

While there remains some concern as to where Alaska's economy is heading, the July employment numbers are up 4.1% from last month and up 2.5% from last year. However, some caution is urged in interpreting the employment increases. An examination of the numbers suggest that the gains may not be as strong as indicated. The year to year gains in employment fall largely in the fish processing industry, the mining industry and in local government. Fish processing employment for last July was below the norm for that month. This year's July employment numbers are closer to the levels of employment of July 1981-1983. Because of the seasonal nature of the seafood processing industry these year-to-year gains are unlikely to continue in the following months.

Increases in mining employment, particularly the oil and gas industry, may come as a surprise given the general perception of the difficulties the oil industry is facing. These increases are a result of projects that have been in the works for some time. Because of the lead time for the projects and the heavy investments already undertaken it is difficult to cancel these projects. When looking ahead it seems unlikely that this level of investment will continue once the existing projects are completed. The third area of rapid growth in employment was local government, especially in the area of education. Reduced support to local governments by the state and evidence of a more slowly expanding population means that the rapid growth in local employment will likely end soon. A look at seasonally adjusted employment figures suggests that employment may have started to decline around the first of the year (see Composite Nonag. Employment Indexes Graph). If this is the case it will become more apparent as the year progresses.

The sectors that have experienced a year-to-year decline in employment are related to the construction industry. Those firms involved in the sale and movement of goods used in the building industry have suffered losses in employment along with the construction industry. While this decline was expected and fore-

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	P/	R/		Changes From:	
	7/85	6/85	7/84	6/85	7/84
Nonag. Wage & Salary	247200	237500	241200	9700	6000
Mining	9800	9400	9000	400	800
Construction	22200	21200	23800	1000	-1600
Manufacturing	22100	14200	20100	7900	2000
Food & Kindred Prod.	16300	8200	14600	8100	1700
Lumber & Paper Prod.	2600	2800	2300	-200	300
All Other Mfg.	3200	3200	3200	0	0
Trans. Comm & Utilities	20400	20200	19900	200	500
Trucking & Whseing	2300	2300	2600	0	-300
Water Transportation	1700	1600	1500	100	200
Air Transportation	6800	6800	6400	0	400
Other Trans. Comm. & Utilities	9600	9500	9400	100	200
Trade	47500	46800	46900	700	600
Wholesale	9100	9100	9000	0	100
Retail	38400	37700	37900	700	500
Gen. Mer. & Apparel	5400	5300	5300	100	100
Food Stores	6500	6300	6000	200	500
Eating & Drinking Pl.	14300	13900	14200	400	100
Other Retail Trade	12200	12200	12400	0	-200
Finance-Ins. & R.E.	13600	13500	12800	100	800
Services & Misc.	45900	45300	45000	600	900
Government	65700	66900	63700	-1200	2000
Federal	18200	17900	19300	300	-1100
State	19800	19900	18600	-100	1200
Local	27700	29100	25800	-1400	1900

Prepared in cooperation with the U.S. Department of Labor Statistics.

Government includes teachers in primary and secondary schools and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes Preliminary Estimates
R/ Denotes Revised Estimates

cast as early as last year the poor performance in employment growth in tourist related firms was a surprise. Tourist related sectors of the economy have experienced little or no growth from last July. The loss in federal employment and the gains in state employment are almost entirely the result of the transfer of the Alaska Railroad to state control.

Alaska's Area Costs

The results of a study on cost differences between Alaska's major communities and rural areas was released by the state. No surprises were found as the results were what many people living in Alaska know: it's more costly to live in Alaska than in Seattle; the cost difference between the larger communities is not significant; and the costs in the rural communities in Alaska are higher than in the urban areas. The results of the study are already being challenged and there are some questions about the methodologies used in the study. However, it can be used as an indication of the magnitude of difference in the costs between areas in Alaska. For more information about the study contact the Alaska Department of Administration, Division of Labor Relations.

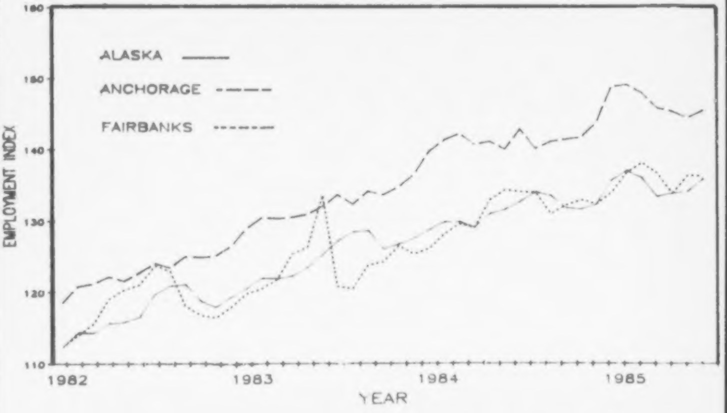
Table 1
Area Geographic Differentials

District 1/	**Cost of Living Difference**
Seattle	.86
Palmer/Wasilla	.94
Petersburg/Wrangell	.98
Anchorage **(base)**	1.00
Seward	1.00
Sitka	1.01
Kenai/Cook Inlet	1.01
Ketchikan	1.02
Juneau	1.03
Fairbanks/Fort Yukon	1.03
Icy Strait/Lynn Canal	1.05
Kodiak	1.06
Cordova/Valdez	1.11
Aleutian Islands	1.26
Wade Hampton	1.26
Bristol Bay	1.29
Yukon/Kuskokwim	1.29
Nome	1.33
Bethel	1.39
Barrow/Kotzebue	1.45

1/ The study was conducted using the 1961 election districts as the appropriate areas.

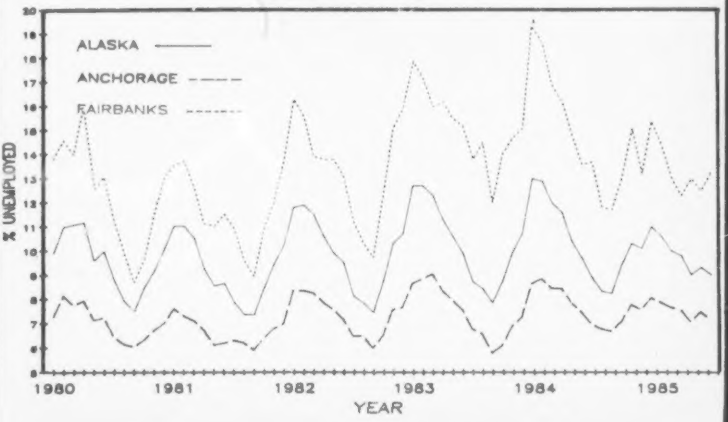
Source: Alaska Geographic Differential Study, State of Alaska, Department of Administration, Division of Labor Relations, April 1985.

Composite Nonag. Employment Indexes Seasonally Adjusted 1982 to June



source: Ak. Dept. of Labor

Unemployment Rates Not Seasonally Adjusted 1980 to Present



source: AK. Dept. of Labor

Anchorage/MatSu

By Greg Huff

Anchorage Food Stores

Beginning in 1980 the Anchorage retail food market flourished as population and incomes grew. Grocers and other specialty food stores jockeyed to acquire a share of this growing market, Alaska's largest and most diverse. In 1982 retail food sales totaled $295 million. That equates to an average of $637 per Anchorage resident or about 17% of all retail dollars spent in the Anchorage economy. In 1985 dollars that would represent over $360 million in retail food sales.1/ Employment, in this dynamic and highly competitive industry, increased 71% between 1980 and 1984 with grocery stores growing the fastest.

The Anchorage food store industry is made up of several components. Grocery stores, which provide a variety of goods and services to Anchorage residents, account for over 90% of food store employment. They range in size from large supermarkets to the smaller convenience stores. The other 10% of the industry includes specialty retail food shops such as bakeries, meat and seafood markets, and confectionery stores.

The grocery component has been among the fastest growing business sectors of the Anchorage economy. From 1980 to 1984 employment in grocery stores increased 75%, almost twice as fast as the 40% overall employment growth rate for the Anchorage economy. Data indicates that larger firms are growing faster than smaller firms and indeed some smaller grocers are losing employment. The average size of a grocery store increased from 52 employees per unit to 86 from 1980 to 1984. This is not surprising because larger firms can offer a wider range of goods and services. In addition large grocers can cover operating costs more easily and have less difficulty financing renovation and expansion plans.

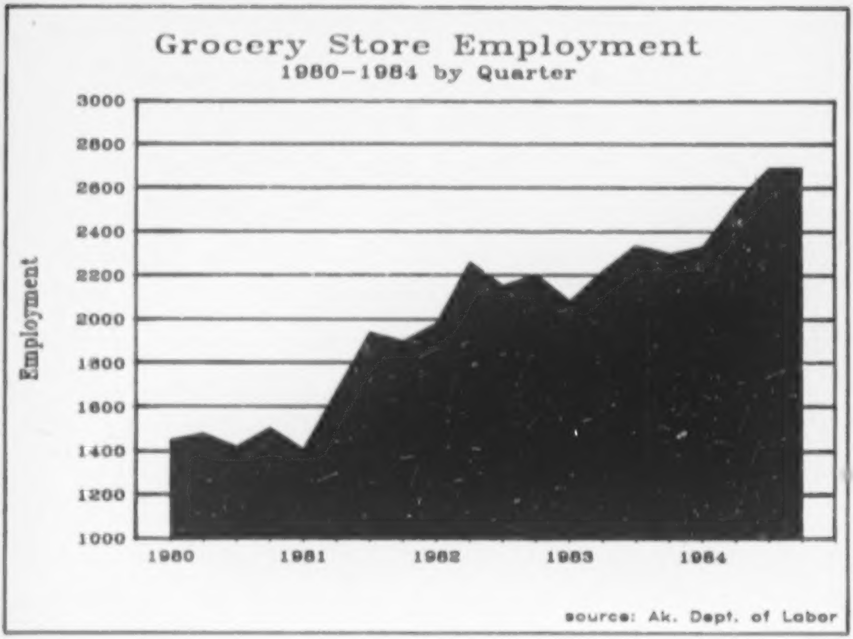
Table 1
Anchorage Food Store Employment
1980-1984

	1980	1984
Grocery Stores	1465	2566
Other Food Stores	149	265

The accompanying graph illustrates the growth in grocery store employment from 1980 to 1984 by quarter. Each major spike in the line of the graph coincidentally reflects the opening of major facilities. In late 1980 supermarket expansion began when Safeway moved from a Mountain View location to the (then new) Northway Mall. In early 1981 a medium-sized Fairbanks based grocer, Market Basket, jumped into the Anchorage market by setting up business in the vacated Mountain View Safeway store. One year later Market Basket opened a store in south Anchorage. This, however, was the end to the influx of outside supermarkets to the Anchorage market. Further expansion was led by Carr's, a locally owned regional grocer. The number of Carr's stores increased from 7 in 1980 to the current 12 while Safeway opened one additional store during the same period.

Fierce marketing competition between the two major grocers appeared in various forms, ranging from expanding services and product lines to remodeling stores citywide and more recently shifting to 24-hour service. This intense competition was felt by smaller grocery stores. Those stores not responding to the changing Anchorage market or not having ideal locations experienced a squeeze on their market share. Several medium-sized grocers have closed stores and 1985 is looking no brighter for these firms.

The convenience grocery stores have expanded considerably during this period and the change is noticeable throughout Anchorage. The number of stores has nearly doubled since 1980. Although each convenience store has relatively few employees compared to the supermarket stores (9 employees vs. 90 employees) the absolute number of these stores make them a considerable employer. In 1984 they represented over 10% of total grocery store employment. From 1980 to 1984 employment grew 58%. The prominent convenience stores in Anchorage, Qwik



source: Ak. Dept. of Labor

Stops and Time Savers, developed rapidly, although Qwik Stop reacted more forcefully and took a large share of the market. A newcomer to Anchorage, the 7-Eleven stores are moving into many key locations and have expanded rapidly. By July 1985 7-Eleven was the third largest convenience store operator in Anchorage behind Qwik Stop and Time Savers.

New types of food stores have entered the Anchorage market since 1980 providing a variety of specialty food items such as bakeries and pastry shops and candy and confectionery stores. Moving into unique markets these employers have expanded employment but they represent a small portion of retail food store employment.

Current Trends

Anchorage/MatSu's unemployment rate for July dropped from June's rate of 8.3% to 8.1%. As usual the MatSu rate was substantially higher than the Anchorage rate. This phenomenon is attributed to MatSu's high labor force participation rate and to

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

				Changes From:	
	P/ 7/85	R/ 6/85	7/84	6/85	7/84
Nonag. Wage & Salary	119550	117450	117650	2100	1900
Mining	4100	4050	4000	50	100
Construction	11550	10950	12150	600	-600
Manufacturing	3900	3100	3750	800	150
Food & Kindred Prod.	1700	900	1600	800	100
Other Mfg.	2200	2200	2150	0	50
Trans. Comm. & Utilities	9900	9750	9850	150	50
Trucking & Whseing	1250	1250	1450	0	-200
Water Transportation	450	450	400	0	50
Air Transportation	4000	3900	4050	100	-50
Other Trans. Comm. & Utilities	4200	4150	3950	50	250
Trade	28550	28350	27800	200	750
Wholesale	6950	6850	6800	100	150
Retail	21600	21500	21000	100	600
Gen. Merchandise	1550	1500	1650	50	-100
Food Stores	3200	3150	3150	50	50
Eating & Drinking Pl.	8550	8500	8300	50	250
Other Retail Trade	8300	8350	7900	-50	400
Finance-Ins. & R.E.	9250	9150	9000	100	250
Services & Misc.	26550	26550	26000	0	550
Government	25750	25550	25100	200	650
Federal	10200	9900	10600	300	-400
State	6750	6850	6200	-100	550
Local	8800	8800	8300	0	500

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

				Changes From:	
	P/ 7/85	R/ 6/85	7/84	6/85	7/84
Nonag. Wage & Salary	127450	125400	124400	2050	3050
Mining	4150	4050	4000	100	150
Construction	12650	11950	13350	700	-700
Manufacturing	4050	3350	3850	700	200
Trans. Comm. & Utilities	10650	10500	10500	150	150
Trade	30350	30150	29400	200	950
Finance-Ins. & R.E.	9650	9550	9100	100	550
Services & Misc.	28150	28050	27050	100	1100
Government	27800	27800	27150	0	650

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 7/85	**R/ 6/85**	**7/84**	**P/ 7/85**	**R/ 6/85**	**7/84**	**P/ 7/85**	**R/ 6/85**	**7/84**	**P/ 7/85**	**R/ 6/85**	**7/84**
Alaska Statewide	264529	260200	260438	24268	24687	23560	9.2	9.5	9.0	240261	235513	236878
Anch.-MatSu Region	137912	139306	134874	11150	11619	10014	8.1	8.3	7.4	126762	127687	124860
Anchorage Borough	123301	124536	120919	9018	9419	8351	7.3	7.6	6.9	114283	115117	112568
MatSu Borough	14611	14770	13955	2132	2200	1663	14.6	14.9	11.9	12479	12570	12292
Gulf Coast Region	32155	28366	31331	2893	2844	2998	9.0	10.0	9.6	29262	25522	28333
Kenai Peninsula Bor.	20078	17679	19513	2221	2104	2223	11.1	11.9	11.4	17857	15575	17290
Kodiak Island Bor.	7288	6498	7064	376	469	371	5.2	7.2	5.3	6912	6029	6693
Valdez-Cordova	4789	4189	4754	296	271	404	6.2	6.5	8.5	4493	3918	4350
Interior Region	39061	38549	38827	5092	4739	4761	13.0	12.3	12.3	33969	33810	34066
Fairbanks North Star Borough	31717	31283	31454	4273	3967	3931	13.5	12.7	12.5	27444	27316	27523
Southeast Fairbanks	3012	2989	3086	248	238	314	8.2	8.0	10.2	2764	2751	2772
Yukon-Koyukuk	4332	4277	4287	571	534	516	13.2	12.5	12.0	3761	3743	3771
Northern Region	8740	8860	8235	1269	1325	1012	14.5	15.0	12.3	7471	7535	7223
Kobuk	2771	2790	2710	427	426	443	15.4	15.3	16.3	2344	2364	2267
Nome	3593	3710	3419	465	556	396	12.9	15.0	11.6	3128	3154	3023
North Slope Borough	2376	2360	2106	377	343	173	15.9	14.5	8.2	1999	2017	1933
Southeast Region	33909	33702	34426	3036	3143	3775	9.0	9.3	11.0	30873	30559	30651
Haines Borough	1040	1046	1052	68	84	87	6.5	8.0	8.3	972	962	965
Juneau Borough	13115	13065	13105	1165	1235	1240	8.9	9.5	9.5	11950	11830	11865
Ketchikan Gateway Borough	7141	7121	7711	593	640	1210	8.3	9.0	15.7	6548	6481	6501
Prince of Wales-Outer Ketchikan	2543	2447	2528	318	245	319	12.5	10.0	12.6	2225	2202	2209
Sitka Borough	4371	4217	4225	429	315	311	9.8	7.5	7.4	3942	3902	3914
Skagway-Yakutat-Angoon	2039	2062	2036	194	236	205	9.5	11.4	10.1	1845	1826	1831
Wrangell-Petersburg	3660	3744	3769	269	388	403	7.3	10.4	10.7	3391	3356	3366
Southwest Region	12752	11417	12745	828	1017	1000	6.5	8.9	7.8	11924	10400	11745
Aleutian Islands	3070	2700	3087	82	94	144	2.7	3.5	4.7	2988	2606	2943
Bethel	5090	4538	5092	483	520	554	9.5	11.5	10.9	4607	4018	4538
Bristol Bay Borough	488	434	479	19	25	17	3.9	5.8	3.5	469	409	462
Dillingham	2054	1850	2043	77	126	96	3.7	6.8	4.7	1977	1724	1947
Wade Hampton	2050	1895	2044	167	252	189	8.1	13.3	9.2	1883	1643	1855

P/ Preliminary R/ Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska'a CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Table 1
Urban Alaska Employment
Annual Average Employment
1980-1984

	1980 Annual Average	1981 Annual Average	1982 Annual Average	1983 Annual Average	1984 Annual Average	Percent Change 80-84
Total Urban Nonag. Employment	132850	144659	157829	167848	177389	33.5%
Mining	3468	4385	4660	4172	4414	27.3%
Construction	8784	9773	12657	15465	16209	84.5%
Manufacturing	7468	6983	6800	6730	6722	-10.0%
Trans. Comm. & Utilities	13543	14285	14168	14571	14898	10.0%
Trade	26030	29593	33738	37338	40388	55.2%
Wholesale	5385	6240	6921	7655	8358	55.2%
Retail	20645	23353	26817	29683	32030	55.1%
Finance-Ins. & R.E.	6853	7380	8112	9075	9892	44.4%
Services & Misc.	25540	29646	33068	33907	36836	44.2%
Government	41164	42614	44626	46590	48030	16.7%
Federal	14437	14239	14527	14654	14980	3.8%
State	13613	14791	16028	16788	17153	26.0%
Local	13114	13584	14071	15148	15897	21.2%

Table 2
Rural Alaska Employment
Annual Average Employment
1980-1984

	1980 Annual Average	1981 Annual Average	1982 Annual Average	1983 Annual Average	1984 Annual Average	Percent Change 80-84
Total Rural Nonag. Employment	35783	39935	41625	43220	43568	21.8%
Mining	3194	4483	4177	3782	4046	26.7%
Construction	1812	3100	3809	4922	3764	107.8%
Manufacturing	5788	5930	5240	4742	4315	-25.5%
Trans. Comm. & Utilities	3450	3879	4088	3976	3922	13.7%
Trade	3254	3524	3747	3980	4137	27.1%
Wholesale	123	163	213	287	262	112.6%
Retail	3131	3361	3534	3693	3875	23.8%
Finance-Ins. & R.E.	792	835	924	1071	1170	47.9%
Services & Misc.	4729	4942	5250	5623	5817	23.0%
Government	12764	13242	14390	15124	16397	28.5%
Federal	3279	3202	3112	3074	3154	-3.8%
State	1748	1786	1950	2054	2196	25.7%
Local	7737	8254	9328	9996	11047	42.8%

MatSu's commuter rate, the highest in the state. Many MatSu residents work in Anchorage and when they are laid off from an Anchorage job they are, by definition, counted as unemployed in their place of residence which is MatSu and not Anchorage. This is compounded by the large proportion of construction and related workers residing in the MatSu valley (18.2% of total workers in MatSu compared 12.1% in Anchorage). This also means that the MatSu economy is not doing as poorly as the unemployment rate may indicate. The MatSu Borough, particularly the Wasilla and Palmer areas, has been the fastest growing area in Alaska over the past 5 years.

Growth in nonagricultural wage and salary employment for Anchorage in July hit a new low for 1985, registering a growth rate of less than 2%. Much of the growth in the other industries is being negated by the sagging construction industry. However, for the year through June the growth rate has averaged 4.3%. With expected growth in oil and gas employment the remainder of 1985 looks positive and the overall rate should register well ahead of 3.5%.

Construction had one of the smallest seasonal employment increases in over 7 years, with only the highway construction segment having above normal seasonal increases in the work force; while residential construction employment was 30% below year-ago levels. Other activities included the layoff of school teachers for the summer and large seasonal gains in the seafood processing industry as the salmon season peaked around the state.

1/ Source: Bureau of the Census, 1982 Retail Census for Alaska. Adjusted for inflation and population growth that equates to over $360 million.

Fairbanks/Interior

By Neal Fried

Interior's Income Standings

Interior's income report card for 1983 was recently released by the U.S. Department of Commerce and it reported mixed grades. Per capita income figures are produced for 29 areas in the state, 4 of which cover the Interior or roughly the boundaries of the Doyon Region. The per capita dollar figures vary from a high of $19,198 for Fairbanks to a low of $11,001 for Southeast Fairbanks. Why do these discrepancies exist and how have other parts of the Interior fared?

Before discussing the reasons for the differences, a short explanation of per capita income figures is in order. The concept of per capita income is simple. The total income for an area is divided by the total population. All sources of monetary income are included, i.e., wages, profits, rents, social security, and all transfer payments. The population includes all men, women and children. It is not a perfect indicator of economic well being, but it does give an indication of an area's economic health.

The four different areas which will be referred to in the text of this article may not be familiar to Interior's residents. The Department of Commerce uses the Bureau of Census's 1970 census boundaries when it calculates the figures. The census areas include Fairbanks, Southeast Fairbanks, Yukon-Koyukuk, and Upper Yukon. Fairbanks is synonymous with the Fairbanks North Star Borough. Southeast Fairbanks includes all of the communities along the Alaska Highway from Delta to the Canadian border, the Steese Highway, and the northern portion of the Richardson Highway. The Upper Yukon includes all communities south of the North Slope boundaries and east of the haul road, and north of the Copper Center region. The Yukon-Koyukuk refers to an area west of the haul road and as far down the Yukon River as Kaltag, and north to the North Slope Borough's boundary. It also includes the Parks Highway south of Fairbanks and north of Cantwell.

Fairbanks' high per capita income of $19,198 attests to the area's strong economic growth over the past decade. Its economy has

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

	P/	R/		Changes From:	
	7/85	6/85	7/84	6/85	7/84
Nonag. Wage & Salary	29900	29400	29500	500	400
Mining	200	200	200	0	0
Construction	3550	3350	3750	200	-200
Manufacturing	650	600	600	50	50
Trans. Comm. & Utilities	2950	2800	3000	150	-50
Trucking & Whseing.	450	500	450	-50	0
Air Transportation	900	800	850	100	50
Other Trans. Comm. & Utilities	1600	1500	1700	100	-100
Trade	6550	6400	6250	150	300
Wholesale	1100	1100	1100	0	0
Retail	5450	5300	5150	150	300
Gen. Mer. & Apparel	650	600	600	50	50
Food Stores	850	800	800	50	50
Other Retail Trade	3950	3900	3750	50	200
Finance-Ins. & R.E.	1000	1000	950	0	50
Services & Misc.	5850	5800	5800	50	50
Government	9150	9250	8950	-100	200
Federal	2900	2900	2900	0	0
State	3800	3800	3650	0	150
Local	2450	2550	2400	-100	50

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

	P/	R/		Changes From:	
	7/85	6/85	7/84	6/85	7/84
Nonag. Wage & Salary	34800	33750	34550	1050	250
Mining	350	350	350	0	0
Construction	3700	3450	3850	250	-150
Manufacturing	700	650	600	50	100
Trans. Comm. & Utilities	3700	3550	3750	150	-50
Trade	7050	6900	6800	150	250
Finance-Ins. & R.E.	1100	1050	1050	50	50
Services & Misc.	6350	6200	6300	150	50
Government	11850	11600	11850	250	0

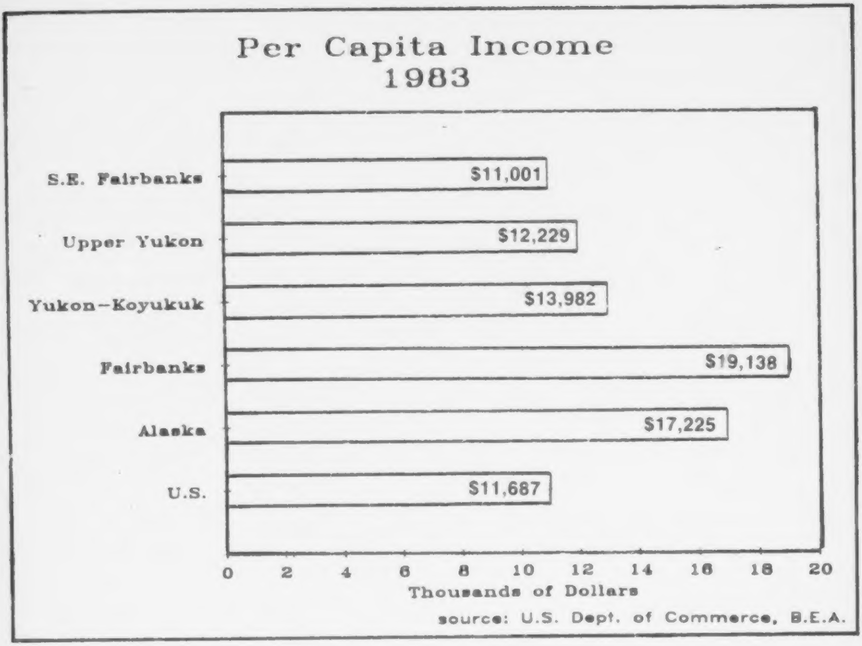
grown more rapidly than elsewhere in the Interior and remains far more diversified. Because of its size and diversification, it is also far less seasonal than the rural areas of the Interior, allowing most of its residents to earn income over a full year's period. Fairbanks enjoys the highest labor force participation rate in the Interior. A full 74% of Fairbanks' working age population (16 years and over) actively participates in the labor force. This means a large share of its population is earning an income, pushing per capita income figures upward. In inflation adjusted dollars (all future references to per capita income will be to 1983 inflation adjusted dollars) Fairbanks' per capita income has grown more than twice as rapidly as any of its counterparts in the Interior over the past decade (47%). Stacked up against the nation's per capita income of $11,001, Fairbanks has performed well. Not only has it grown far more rapidly than the nation's figures over the past decade (47% versus 5%), but it appears to be at a level that more than makes up for its higher cost of living.

Table 1
Per Capita Income
Interior Census Areas, Alaska and U.S.

	1983	1973 (Adjusted)	1973 (Unadjusted)	Percent Change (Adjusted)
Fairbanks	$19,198	$13,076	$5952	+47%
Yukon-Koyukuk	13,982	11,889	5424	+18%
Upper Yukon	12,229	20,363	9280	-40%
S.E. Fairbanks	11,001	11,628	5305	-5%
Alaska	17,225	13,297	6066	+30%
United States	11,687	11,164	4980	+5%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The next runner-up in both actual per capita income and growth is the Yukon-Koyukuk. The Yukon-Koyukuk's per capita income was $13,982 in 1983 and has advanced by 18% over the decade. Yukon-Koyukuk's lower per capita figure results largely from a poorer labor market than its urban counterpart. Employment opportunities are simply scarce and what opportunities do exist are most likely seasonal. In light of the fact that more than 80% of the personal income is derived from wages and salaries, employment opportunities are the most important factor when per capita figures are calculated. Economic growth in the Yukon-Koyukuk, though significant, has come more slowly. One



source: U.S. Dept. of Commerce, B.E.A.

source of income which is not calculated in per capita figures that may be significant in the Yukon-Koyukuk and the remainder of the Interior is subsistence. Though a dollar value would be difficult to calculate, this source of 'income' must be kept in mind when discussing per capita income.

Southeast Fairbanks and the Upper Yukon have fared far worse. Southeast Fairbanks' per capita income of $11,001 is below the national average of $11,687 and over the decade it has actually lost some ground after being adjusted for inflation. Upper Yukon's experience is not that different at $12,229. It too has lost ground to inflation. Upper Yukon's reported 1973 per capita income figure appears flawed on the high side. The beginning of oil pipeline construction may partially explain why it was so high in 1973. The reasons for these low per capita income figures are the same as listed above, but in a more extreme fashion. Employment opportunities are scarce and seasonal. These areas are made up largely of small far-flung communities with small economies. Alaska's rural areas, with few exceptions, have lower incomes than their urban counterparts, a result of little economic infrastructure and fewer employment opportunities.

Current Trends

July's wage and salary figures for Fairbanks almost tripped the 30,000 mark. Most of Fairbanks' industries registered gains in July for a total of 500 additional jobs. Government was the only loser, and this occurred because most of the school and university staffs were off for the summer.

Over-the-year wage and salary figures continue to push ahead, but with less vigor than in recent years. Trade and services lead the growth, and construction and transportation continue to act as a drag on growth. This trend is unlikely to change in the near future. Construction has already peaked, and transportation is not expected to grow. Trade, services and the remainder of Fairbanks' secondary sector will inch ahead keeping the total numbers on the plus side.

Gulf Coast

By Neal Fried

Retail Trade on the Kenai Peninsula

In 1984 employment in retail trade surpassed manufacturing to become the largest private industry employer on the Peninsula. A casual drive through the Peninsula attests to major changes taking place in this industry. Expansion in this industry has had a great visual impact because the majority of its activity is located along major thoroughfares. A Peninsula resident probably would not be surprised to hear that over the past 4 years more than 1,000 new jobs have been created in this industry. Though the construction industry grew the most rapidly percentage-wise since 1980, trade was the largest contributor of new jobs in absolute numbers. The growth in this industry is particularly graphic when driving through Soldotna, but Homer, Kenai, Seward, Anchor Point and all other communities in the Borough have also made major gains in this industry.

The definition of retail trade is relatively broad. It includes general merchandise, department, grocery and building material stores, garages and service stations, restaurants and bars. All of these categories have grown. Employment for building material retailers has grown six-fold since 1980, making it the fastest growing retail sector. The construction boom which took place during this period was a major impetus for this growth. Food stores, one of the major categories, grew by 57% and bar and restaurant employment, the largest retail category, racked up 64% growth over the past 4 years. The nature of this retail boom has been somewhat different than in the past. The national chains invaded the Peninsula retail market in a big way. Major grocery, merchandise, clothing and restaurant chains moved in. The average number of employees per retail establishment grew from 5 employees in 1980 to 7 employees in 1984. Some firsts included major national department and grocery stores. Though there were national fast food eateries prior to 1980, a mass invasion occurred, from which not even Homer came through unscathed.

Table 1
Kenai Peninsula Borough
Retail Trade Employment by Sector
1984

	Employment	Percent Distribution
Total Retail Employment	1776	100%
Building Materials & Garden Supplies	129	7%
General Merchandise Stores	91	5%
Food Stores	325	18%
Auto Dealers & Service Stations	172	10%
Apparel & Accessory Stores	54	3%
Furniture & Home Furnishings	77	4%
Eating and Drinking Places	607	34%
Miscellaneous Retail	321	18%

Source: Alaska Department of Labor, Research and Analysis Section.

What caused this growth to occur? The state's economy has grown rapidly because of the expenditure of oil revenues and the Peninsula was part of the expansion. This increased activity caused the population to grow and has pushed disposable income upward. These two factors have provided the major stimulus to retail trade's growth. Tourism, another industry which has made considerable gains, has also stimulated retail trade advances. Retail trade is one of the industries which benefits most from tourism. A third possible factor, though somewhat nebulous, is that the Peninsula may have historically been under-retailed, and is now playing a catch up game. Presently retail trade's employment share of total wage and salary employment is 16%, which is identical with the statewide picture. Trade in 1985 has continued to move ahead as some of the Peninsula's other industries have begun to stall, particularly construction. This may mean that in the near future retail trade's share of employment in the Borough may exceed the statewide proportions.

Not all of the statistics for this industry are rosy. For example, retail trade's average monthly wage ($1,192) is the lowest of all industries and it is half the average monthly wage for all industries on the Peninsula ($2,344). This is because of the preponderance of part-time work, and also because of the entry level nature of many of the jobs found in this industry. Though it is the largest private employer in the Borough, its total payroll of $25 million in 1984 represented only 8% of the area's total payroll. Industries considerably smaller than retail trade such as construction and mining (largely oil) contributed larger payrolls to the area.

Current Trends

The region's employment figures continued to climb in July. All industries with the exception of government (because most of the local teaching staffs are off for the summer) registered gains this month. The industry which made the greatest strides was fish processing (food and kindred), adding 3,550 new jobs to its ranks. Not only has fish processing employment grown over the month but its July levels exceeded 1984's by 350. This is a result of a much better than average salmon season in the Cook Inlet region.

Of all the areas in the region, Kodiak came in with the lowest unemployment rate, 5.2% in July. Kodiak's unemployment rate compares very favorably with the State's average of 9.2%. This low unemployment rate for Kodiak is purely a summer phenomenon. The short salmon season pulls the rate down dramatically. The rate will climb again in the fall, reach the double digit level by October and remain there for six months. Kodiak is a typical example of Alaska's many seasonal economies.

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

				Changes From:	
	P/ 7/85	**R/ 6/85**	**7/84**	**6/85**	**7/84**
Nonag. Wage & Salary	26250	22400	25050	3850	1200
Mining	900	850	850	50	50
Construction	2550	2150	2450	400	100
Manufacturing	7550	4000	7200	3550	350
Food & Kindred Prod.	6850	3300	6500	3550	350
All Other Mfg.	700	700	700	0	0
Trans. Comm. & Utilities	2150	2150	2100	0	50
Trade	4000	3900	3750	100	250
Wholesale	600	600	600	0	0
Retail	3400	3300	3150	100	250
Finance-Ins. & R.E.	700	700	650	0	50
Services & Misc.	3550	3400	3300	150	250
Government	4850	5250	4750	-400	100
Federal	550	550	550	0	0
State	1550	1550	1550	0	0
Local	2750	3150	2650	-400	100

Southeast Alaska

By John Boucher

Hoonah-Yakutat Employment Trends 1980-1984

This month's Southeast Alaska article will focus on an area in the northern part of Southeast Alaska, the Hoonah-Yakutat census subarea. This census subarea is part of the Skagway-Yakutat-Angoon census area, and it spans most of the northern portion of the panhandle. The Hoonah-Yakutat census subarea includes some of Southeast Alaska's most scenic terrain along with a rich supply of the natural resources of fish and timber. The boundaries of the census subarea run from the northern end of Chichagof Island including the communities of Hoonah and Pelican, across Icy Strait to Gustavus and Glacier Bay National Park, and on north to include Yakutat.

Although some of the areas are fairly isolated from each other because of rugged terrain, the dependance of the local economies on natural resources is the common thread between them. The Yakutat and Hoonah areas are both renowned for their rich fishing grounds, while Gustavus is the city closest to the Glacier Bay National Monument and as such serves as the center for tourist activity in the area. As would be expected in areas rich in natural resources, manufacturing is the largest wage and salary employer, supplying about 40% of the total wage and salary employment when figured on an annual average basis.

The dependance of this area upon the manufacturing industry for employment would normally spell bad news for the area's economy, especially during the period from 1980 to 1984. In just about every other area of Southeast Alaska which is dependant upon manufacturing employment, the difficulties in the manufacturing sector inhibited employment growth and in some cases was the primary reason for employment drops. The Hoonah-Yakutat census subarea was an exception to that trend as both the logging and seafood processing industry contributed to the growth in employment from 1980 to 1984. Why was this area an exception to the overall trend? It was largely the processing end of the wood products industry that took a beating during this four year period. The Hoonah-Yakutat census subarea has no major lumber processor in it (i.e. a pulp mill or sawmill). This

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

				Changes From:	
	P/ 7/85	R/ 6/85	7/84	6/85	7/84
Nonag. Wage & Salary	31950	30950	31150	1000	800
Construction	1850	1700	2200	150	-350
Manufacturing	4600	3750	3950	850	650
Food & Kindred Prod.	2100	1150	1850	950	250
Lumber & Paper Prod.	2250	2350	1850	-100	400
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2300	2250	2100	50	200
Trade	5150	5100	5150	50	0
Wholesale	450	400	400	50	50
Retail	4700	4700	4750	0	-50
Finance-Ins. & R.E.	1200	1150	1150	50	50
Mining, Services & Misc.	4950	5000	4950	-50	0
Government	11900	12000	11650	-100	250
Federal	2250	2200	2200	50	50
State	5550	5550	5450	0	100
Local	4100	4250	4000	-150	100

area was unaffected because most of the wage and salary employment in the wood products industry was derived from harvesting not the processing of trees.

As is the case with many rural regions in Alaska, government plays a large role in the wage and salary economy. Local government is the area's second largest employer with the majority of the jobs with local school districts. The rest of the local government jobs are in activities that provide services to the various communities. The federal government has a large presence in the area and as might be expected a large portion of this employment is with the U.S. Forest Service. State government accounts for a very small percentage of wage and salary directly; however, a large portion of local school employment is funded by the state.

Next to the manufacturing sector, the services industry is the largest source of private employment in the area. In terms of absolute numbers, this sector was the third fastest growing sector in the Hoonah-Yakutat economy. This is attributable to the growth of the tourism industry in the past several years. Almost all of the growth in services was in hotels catering to tourists in the Glacier Bay National Monument area. It is interesting to note that the growth in services does not represent year-round jobs to residents in the Hoonah-Yakutat census subarea. This employment tends to follow the same pattern as the seafood processing industry, with a few months of high activity and the rest of the year offering very few employment opportunities.

The retail trade industry was the only industry in the Hoonah-Yakutat census subarea to decline from 1980 to 1984. This is somewhat surprising given the growth in the other secondary industries and growth in overall employment. Perhaps the growth in the transportation industry can account for this somewhat as well as the strong growth in the retail sector in Juneau during this period. Two of the three areas, Hoonah and Gustavus, have inexpensive transportation links to the capital city available on a regular basis. Lower prices in Juneau combined with relatively easy accessibility may be the cause for the failure of the retail sector to experience employment growth in these areas.

Southeast Alaska Current Trends

Southeast Alaska wage and salary employment increased by 1,000 jobs in the month of July largely on the strength of the seafood processing industry. The exceptionally strong salmon runs in Southeast this summer have helped to raise the manufacturing industry to a level of employment that is 16% higher than 1984. The overall employment gains in Southeast were fairly slow in the other industries besides manufacturing. Construction was the largest employment gainer over the month outside of manufacturing but the construction industry is down nearly 16% from 1984's employment levels.

Unemployment in the Southeast region dropped three-tenths of one percentage point in July to 9.0 percent. Five of the seven census divisions experienced a drop in the unemployment rate, the exceptions being the Prince of Wales-Outer Ketchikan census area and the Sitka Borough.

Table 1
Hoonah-Yakutat Census Subarea Employment
1980-1984

	1980 Ann. Avg	1982 Ann. Avg	1984 Ann. Avg
Nonag. Wage and Salary	581	777	858
Construction	*	*	*
Manufacturing	221	331	367
Trans. Comm. & Utils	24	25	44
Trade	*	*	*
Wholesale	*	*	*
Retail	58	51	49
Finance-Ins. & R.E.	9	30	38
Mining, Services & Misc	78	97	112
Government	185	217	222
Federal	52	78	71
State	1	1	0
Local	133	138	151

* Indicates nondisclosable item

Hours and Earnings

By Kathleen Thomas

Revised Versus Preliminary Hours and Earnings Estimates

Prior to January 1985, hours and earnings lagged one month behind employment estimates. The main reason for the lag was the small sample size for hours and earnings which made more current estimates unreliable. To remedy this inaccuracy, an intense effort to solicit new firms into the survey was initiated in 1984. As a result of this solicitation, the sample size increased by almost 25%. The logical point to institute the upgrading of hours and earnings to run concurrently with employment was with the benchmarking process and the change of the calendar year. Therefore, beginning with January 1985 published data, hours and earnings were updated to run on the same time frame as employment.

In an effort to evaluate any difference the updating made in the data, a comparison was made between preliminary and revised data. The percentage change between 1984 preliminary and revised hours and earnings data is compared to the percentage change between 1985 preliminary and revised hours and earnings data. The ultimate test is whether 1985 preliminary data are as reliable now as they were when they lagged a month.

By looking at Table 1, it can be seen that the changes between preliminary and revised 1984 data are generally less than one percent. The category displaying the most volatility was manufacturing which is to be expected. Manufacturing is comprised of seafood processing, logging, pulp mills, and sawmills. Seafood processing is constantly subject to change due to factors such as; the timing of the fish runs, the quantity of the runs, and the ever changing seafood resource. The wood products industry has been hard hit by a variety of factors that have jarred the industry subjecting it to changes.

The changes between 1985 preliminary and revised data have consistently been a few percentage points higher than the changes between the 1984 preliminary and revised data. Though the sample size has increased the data are subject to higher percentage error by virtue of its accelerated time schedule. This is not to say that the difference is for the worse since more timely data are now available. Also, Alaska has not been compared with other states to determine if the percentage changes are out of line from those other states.

It is up to the user of the data to determine which to use, preliminary or revised. Preliminary data are more prompt and available at the same time as preliminary employment figures. Revised data are more reliable because of the inclusion of additional sample from late reporters and corrections for erroneous data. If further accuracy beyond the revised hours and earnings is desired, the user should consider benchmarked hours and earnings which includes an annual average. The benchmarked hours and earnings series is available annually after the benchmarking process has been completed.

Current Trends

Average hourly earnings in mining increased 4% from June to July. The increase is mostly caused by a rise in oil and gas employment, generally a higher paid sector than other sectors of mining. Average weekly hours remained unchanged.

Food and kindred products exhibited an increase in average weekly hours of 12%, though still below year ago levels. For July salmon returns have been lower than anticipated and some major canneries in Kodiak never opened. It is difficult to say if this situation will continue for the rest of the season. The southern district of Southeast is booming with pink salmon but Cook Inlet is faring poorly.

Table 1
Differences Between Preliminary and Revised Estimates Expressed as a Percentage
1984 (Old Method) & 1985 (Current Method)

	(Old)	(Current)	(Old)	(Current)
	Average Hourly Earnings 1/84	**Average Hourly Earnings 1/85**	**Average Weekly Hours 1/84**	**Average Weekly Hours 1/85**
Mining	2.6	2.2	2.4	1.1
Contract Construction	0.6	0.0	0.2	0.0
Manufacturing	4.3	3.7	0.9	28.8
Food & Kindred Prod.	0.8	2.9	1.4	102.9
Lumber & Paper Prod.	7.4	2.9	0.5	1.9
Trans. Comm. & Utilities	0.1	3.2	0.0	3.5
Trade	0.4	0.0	0.0	3.6
Wholesale	0.2	3.9	0.3	3.6
Retail	0.4	2.6	0.0	3.4
Finance, Ins. & R.E.	—	—	3.5	3.1
	Average Hourly Earnings 2/84	**Average Hourly Earnings 2/85**	**Average Weekly Hours 2/84**	**Average Weekly Hours 2/85**
Mining	1.0	5.0	1.7	0.0
Contract Construction	0.0	0.0	0.0	5.6
Manufacturing	0.3	4.6	1.2	4.9
Food & Kindred Prod.	0.1	12.6	3.5	12.4
Lumber & Paper Prod.	0.0	0.0	0.2	1.4
Trans. Comm. & Utilities	3.9	4.1	5.4	2.3
Trade	0.0	3.1	0.9	1.4
Wholesale	0.6	2.7	2.2	2.5
Retail	0.3	3.5	0.3	0.9
Finance, Ins. & R.E.	—	—	0.3	0.0
	Average Hourly Earnings 3/84	**Average Hourly Earnings 3/85**	**Average Weekly Hours 3/84**	**Average Weekly Hours 3/85**
Mining	0.0	2.4	0.0	1.8
Contract Construction	0.6	4.7	0.0	3.9
Manufacturing	0.0	1.8	0.0	0.8
Food & Kindred Prod.	0.0	2.5	0.0	2.2
Lumber & Paper Prod.	0.5	1.3	0.0	0.8
Trans. Comm. & Utilities	0.5	4.3	0.5	7.9
Trade	0.3	1.0	0.0	1.2
Wholesale	0.2	2.2	0.0	0.0
Retail	0.2	0.0	0.0	1.5
Finance, Ins. & R.E.	—	—	0.0	2.6

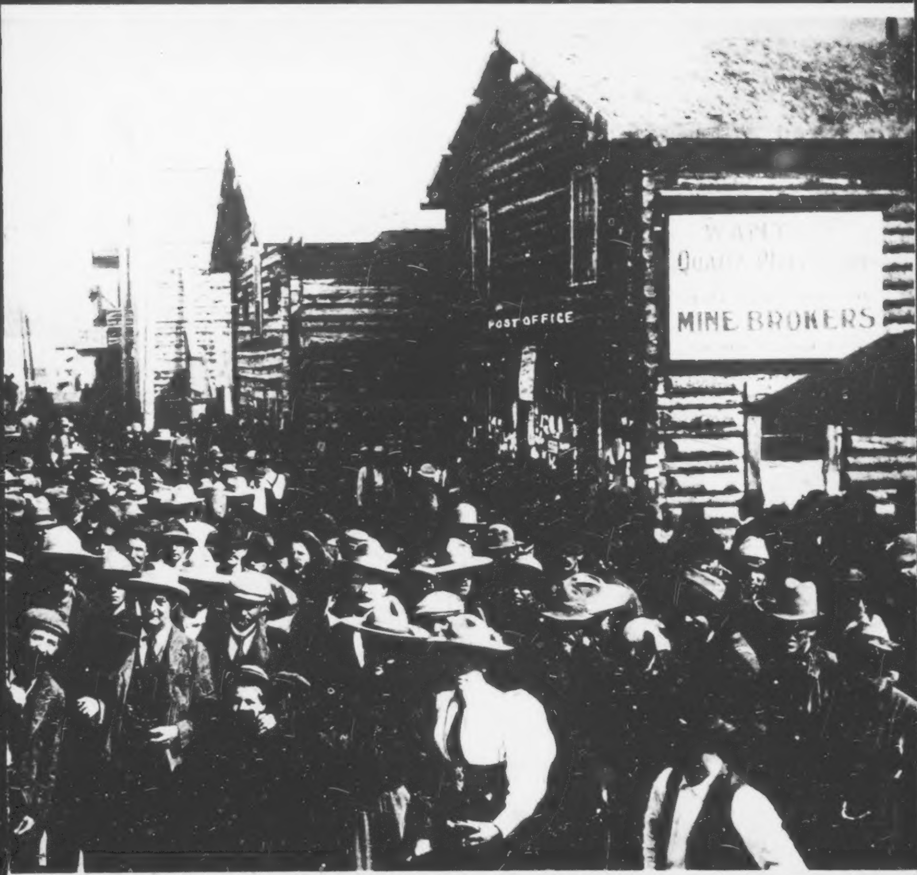
	Average Hourly Earnings 4/84	Average Hourly Earnings 4/85	Average Weekly Hours 4/84	Average Weekly Hours 4/85
Mining	0.0	0.5	0.0	0.4
Contract Construction	0.0	0.5	0.2	2.2
Manufacturing	0.0	2.4	0.0	2.2
Food & Kindred Prod.	0.0	0.2	0.0	4.3
Lumber & Paper Prod.	0.0	4.2	0.0	3.3
Trans. Comm. & Utilities	0.0	0.8	1.9	1.6
Trade	0.5	0.3	1.1	0.9
Wholesale	0.4	1.0	0.5	0.8
Retail	0.3	1.1	2.1	1.3
Finance, Ins. & R.E.	—	—	1.2	0.2

	Average Hourly Earnings 5/84	Average Hourly Earnings 5/85	Average Weekly Hours 5/84	Average Weekly Hours 5/85
Mining	0.1	1.8	1.0	0.4
Contract Construction	0.4	0.9	0.2	0.2
Manufacturing	1.9	3.8	0.6	4.6
Food & Kindred Prod.	1.4	15.7	8.5	7.5
Lumber & Paper Prod.	0.4	1.1	2.9	2.5
Trans. Comm. & Utilities	0.3	0.6	0.8	0.5
Trade	0.7	0.0	0.0	0.0
Wholesale	1.2	0.2	0.5	0.3
Retail	0.4	0.4	0.3	0.3
Finance, Ins. & R.E.	—	—	0.0	0.2

	Average Hourly Earnings 6/84	Average Hourly Earnings 6/85	Average Weekly Hours 6/84	Average Weekly Hours 6/85
Mining	0.8	0.2	0.2	0.6
Contract Construction	0.4	0.5	0.2	6.5
Manufacturing	0.8	0.0	1.6	1.3
Food & Kindred Prod.	1.3	0.7	3.0	2.1
Lumber & Paper Prod.	0.0	1.6	0.0	0.4
Trans. Comm. & Utilities	1.0	1.7	1.3	3.0
Trade	0.2	1.2	0.8	0.3
Wholesale	1.5	0.6	1.1	0.5
Retail	1.2	1.3	0.9	0.3
Finance, Ins. & R.E.	—	—	0.7	3.0

OCTOBER 1985
ALASKA ECONOMIC TRENDS

Alaska Department of Labor   Bill Sheffield, Governor, State of Alaska


POST OFFICE
MINE BROKERS

1 Population Growth and Migration in Alaska

Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Ed Eboch, *Editor*

Funded by:

JOB SERVICE

October 1985
Volume 5
Issue 10

Contents

Population Growth and Migration in Alaska 1

Alaska-*Economic Outlook* 11
Anchorage/MatSu-*Anchorage Business Services* 16
Fairbanks/Interior-*Fairbanks' Transportation Industry* 22
Gulf Coast-*The Summer Season* 27
Southeast Alaska-*Southeast Alaska 1980 to 1984* 30
Hours and Earnings-*Revised Versus Preliminary* 38

Labor Force by Region and Census Area . . . . . Center Insert

Cover photograph by P.E. Larss.

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 25501, Juneau, Alaska 99802-5501

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Population Growth and Migration in Alaska

By Greg Williams

Population statistics for the state of Alaska have historically been characterized by periods of expansion followed by periods of contraction depending on the economic climate of the state. However, the net result has been an overall increase in the population of the state. With good economic times Alaska's population increased from 495,300 in 1983 to 523,048 in 1984, a 5.6% increase.

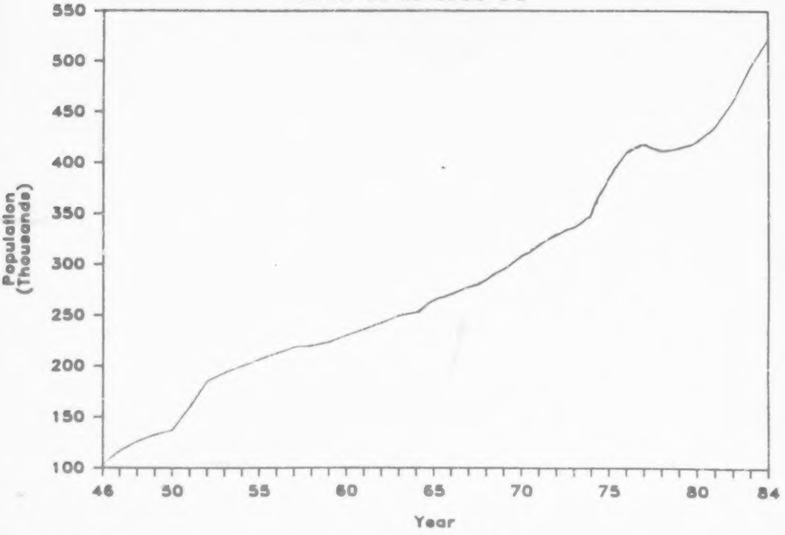
Population Trends

Alaska's population growth since World War II has been impressive, as shown in Table 1 and Figure 1. The period from the end of World War II until 1952 saw rapid growth in Alaska's population, with the greatest increase during the military buildup for the Korean Conflict. The average annual growth rate for this period was 9.6% per year. From 1952 to 1965, Alaska underwent a much slower, but smoother, average annual growth rate of 2.7% per year. During the period from 1965 through 1973 the rate of population growth gradually increased, producing an average annual growth rate of 3.0% per year.

The construction of the oil pipeline had an impact on population growth during the period from 1973 to 1976. The average annual growth rate during this period was 6.6% per year. The completion of the pipeline construction 'boom' was clearly followed by a 'bust' during the 1976-1980 period. During 1977-78, Alaska actually had a net out-migration of about 6,400 people. The average annual growth rate over the four year period, however, was 0.6% per year as growth in the population due to natural increases offset this out-migration.

Beginning in 1981, another economic boom began, primarily as the result of construction and infrastructure development fueled by both state and private spending. The rapid increase in state spending and the resulting private sector optimism were based on oil prices and state oil tax revenues. As a result, Alaska's population has grown by approximately 30% in four and a quarter years, making it the most rapidly growing state in America

Figure 1
Alaska Population Trends
1945-46 to 1983-84



since the 1980 census. The main part of this growth occurred from 1980-1983 during which the average annual growth rate was 5.9% per year. The peak of this growth occurred in 1982-83 and began to slow during 1983-84 with an average annual growth rate of 5.5%. The average annual growth rate for the U.S. as a whole during the 1980-84 period was 1.0% per year.

While no official estimates of the population exist yet for July 1, 1985, preliminary indications are that growth will be slowing much as it did in the 1976-80 period after the pipeline construction boom. The trend toward slower, more moderate growth has resulted from a slowdown in capital spending by state government and private enterprise. The slowdown of spending has occurred because of the current lower price of oil on the world market. However, if the net balance of migration to Alaska during 1984-85 were to be zero, the 1985 population of the state should reach 533,000 due to natural increase alone.

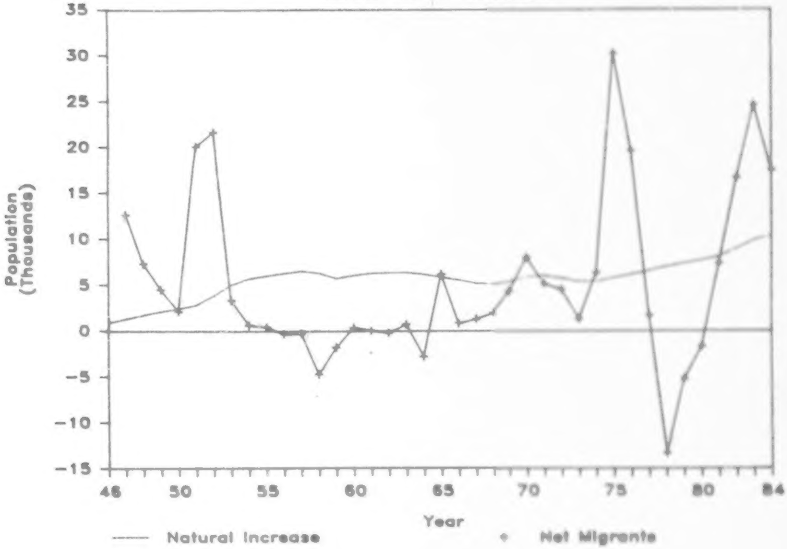
The pace of economic growth, and in turn the population of Alaska, will depend upon the relative demand for Alaskan resources in the U.S. and world economies and will also depend on the amount of federal spending in Alaska. Despite fluctuations in

Alaska's population growth, the overall trend during the postwar period has been towards strong positive growth, with over a fivefold increase in population since 1946. While economic optimism and investment in some areas of Alaska, particularly in construction, have periodically been greater than underlying demographic conditions warranted, overall population growth has and should continue.

Components of Change

Population change is composed of two components, natural increase (births and deaths) and migration (as shown in Table 1 and Figure 2). In general, natural increase is the relatively stable component of population change. Death rates change very slowly, and while current fertility fluctuates depending on a variety of factors, the general trend in births does not change pace or direction rapidly. Migration is the most volatile component in Alaska's population change, often changing dramatically from one year to the next.

Figure 2
Alaska Components of Growth
1945-46 to 1983-84



Between July 1, 1983, and July 1, 1984, 12,208 persons were born in Alaska and 1,903 persons died, for a net natural increase of 10,305 persons. Alaskan births are currently equivalent to about 2.5% of the population and deaths about 0.4% of the population at the beginning of each year. The net growth as a result of natural increase is 2.1% per year.

Migration was a larger component of change than natural increase in about one-third of the years since 1945. The highest post-World War II proportional growth due to migration occurred during the build up for the Korean War in 1950-51 (14.7%), 1951-52 (13.6%), and during 1945-46 (12.3%). In part, these high percentages were a result of a small population base in these years. The net migration for 1982-83 was numerically larger than in 1950-51, but was equivalent to only 5.3% of the 1982 population. The largest single numerical increase due to migration (30,235 or 8.7%), occurred during pipeline construction in 1974-75. The largest numerical loss (-13,356 or 3.2%), occurred at the end of the pipeline construction in 1977-78. Between July 1, 1983 and July 1, 1984, Alaska gained 17,453 persons through migration. This is 1.7 times the gain through natural increase.

Migration

Where there is rapid population growth as discussed above, well over half of the growth is accounted for by migration as opposed to natural increase. In the past we have lacked accurate migration indicators. This inability to measure migration accurately has been the most important factor in the inaccuracy of population estimates.

Beginning in 1984, Internal Revenue Service migration statistics were made available to Alaska. While these statistics have been available to the U.S. Census Bureau for some time and have aided in the generation of Census Bureau estimates, they have only recently been released to the states. This data significantly improved our ability to track the migration component of population change by providing an independent indicator of migration.

Tabulating the data for IRS migration requires comparing about 90 million income tax return records for two years for change of address. The result is a matrix of 3,141 by 3,141 counties, or county equivalents, with the total number of no change, out-migrants and in-migrants for every county in America. To insure confidentiality, only the county totals are reported to the Census Bureau by IRS, and where county-to-county flows are small, they are suppressed. Further, these statistics as provided to the states can only be released as migration rates so that the actual number of filers and exemptions are not released.

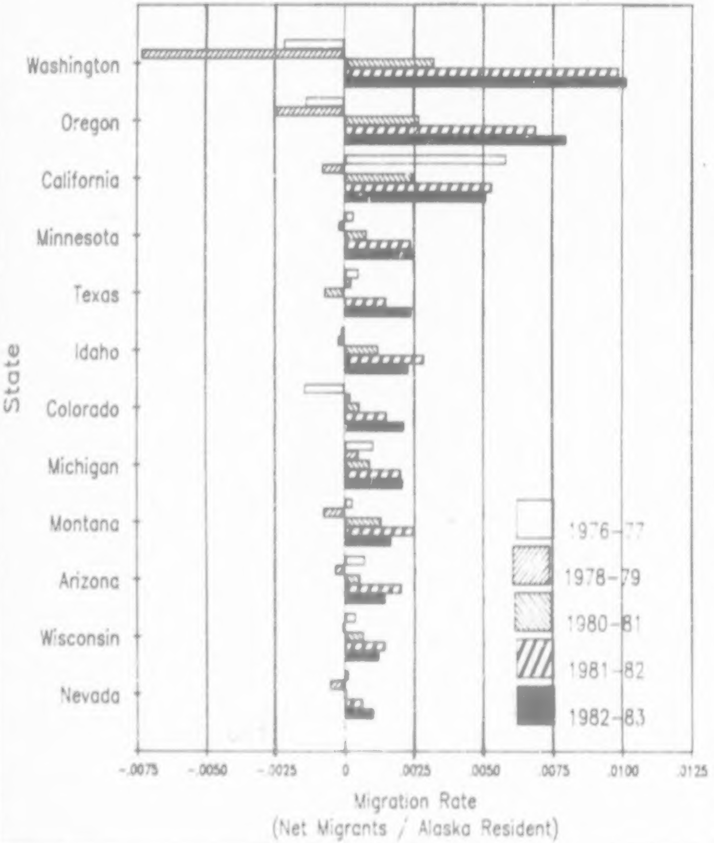
As valuable as these data are for estimating migration they do have limitations. Only the number of filers and dependents on returns for persons under 65 are counted. IRS migration misses persons who do not file tax returns in one or both years being compared, as a result new filers are missed. Statistics may be supplemented by using statistics on the changing number of medicare recipients to track change among older citizens. One limitation of importance to Alaska is that the movement of persons living on subsistence and not filing tax returns are missed.

Migration involves two distinct movements: in-migration, those persons moving into an area; and out-migration, those moving out of an area. What is usually reported as migration is the net balance of these two forces, or 'net migration'. This is the net gain or loss to a community due to migration. Also of interest to some persons is the 'gross migration'. This is the total amount of movement which results from adding the in and out migration. Real estate agents are frequently interested in gross migration because every time someone moves in or out they may potentially generate real estate business. If the in-migration equals the out-migration, then the net migration will be zero. However, if the turnover is high, the gross migration may be quite substantial. This is generally the case in areas with large transient populations such as areas with large military populations. In such places, station strengths may remain stable but troops are rotated on a regular basis.

Net and Gross Migration to Alaska

Trends in gross and net migration to and from the states which contributed the most to the exchange of migrants with Alaska are presented in Figures 3 and 4. In general, people tend to more frequently move short distances as opposed to long distances. It is no surprise then, that the most migrants to Alaska are contributed by the west coast and mountain states nearest to Alaska. Of all the people who have moved to or from Alaska in the 1980's, about half moved to or from: Washington (14%), California (12%), Oregon (7%), Texas (7%), Colorado (4%), Florida (4%), Idaho (3%), or Arizona (3%). The remaining states contributed 2% or less each to the stream of migrants. Migration from Texas tends to be oil related and the migration from Florida tends to consist mostly of military and Coast Guard migrants.

Figure 3
Net Migration to Alaska
1976-77 to 1982-83



Alaska Hours and Earnings for Selected Industries 1/ 2/

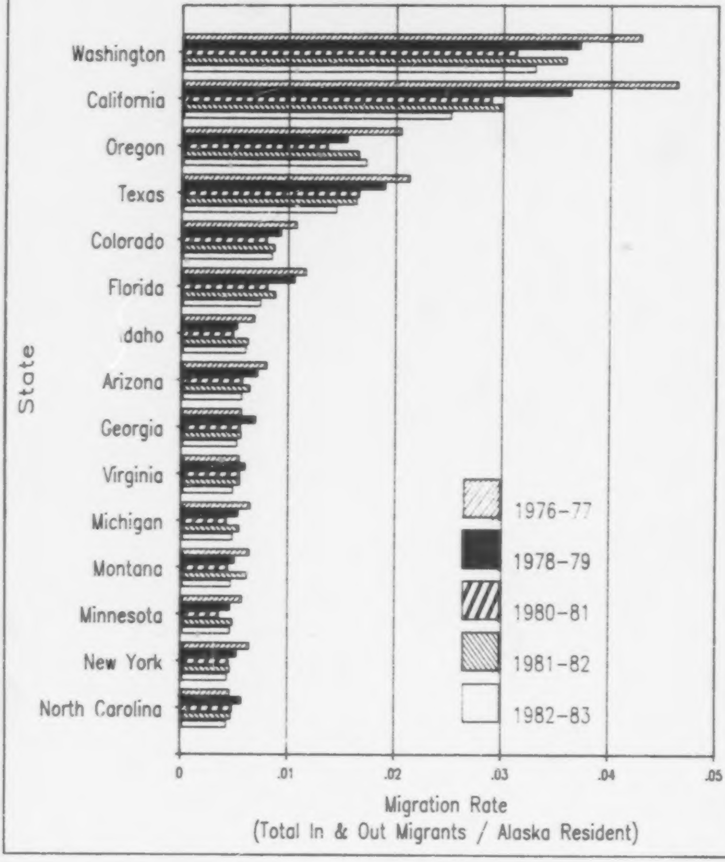
	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 7/85	**R/ 6/85**	**7/84**	**P/ 7/85**	**R/ 6/85**	**7/84**	**P/ 7/85**	**R/ 6/85**	**7/84**
Mining	23.84	22.91	23.51	50.9	50.9	49.6	1213.46	1166.12	1166.10
Contract Construction	24.14	24.41	24.88	42.5	42.9	43.6	1025.95	1047.19	1084.77
Manufacturing	10.46	11.67	9.91	38.7	37.8	44.3	404.80	441.13	439.01
Food & Kindred Prod.	8.65	7.67	8.00	37.9	33.8	45.9	327.84	259.25	367.20
Lumber & Paper Prod.	16.02	16.68	15.42	39.7	45.0	38.0	635.99	750.60	585.96
Trans., Comm. & Utilities	15.51	15.39	15.76	37.6	38.4	40.1	583.18	590.98	631.98
Trade	11.99	11.74	10.71	34.6	35.1	37.0	414.85	412.07	396.27
Wholesale	15.19	14.70	13.53	37.5	37.9	39.2	569.63	557.13	530.38
Retail	10.63	10.50	9.54	33.5	34.0	36.2	356.11	357.00	345.35
Finance, Ins. & R.E.	—	—	—	—	—	—	442.26	455.54	391.24

1/ Prepared in cooperation with the Bureau of Labor Statistics US Department of Labor

2/ Excludes eating and drinking establishments.

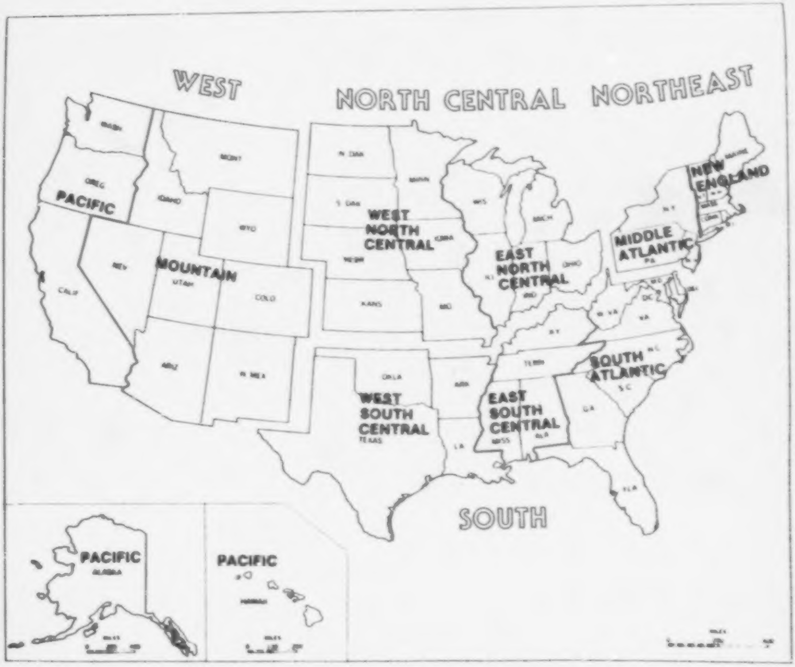
AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Figure 4
Gross Migration for Alaska
1976-77 to 1982-83



The regional distribution of persons who moved to and from Alaska in the 1980s are as follows: Pacific (34%), Mountain (16%), South Atlantic (13%), West South Central (11%), East North Central (7%), West North Central(7%), East South Central(4%), Middle Atlantic (4%), and New England (3%). The South Atlantic states have a heavier than expected contribution of migrants because they are the home of a number of major military and Coast Guard bases which regularly rotate personnel to Alaska.

In general, the states that contribute the most to an in-migration in times of prosperity in Alaska are also the states that people go back to when times get hard. Changes in in-migration, however, are more rapid than changes in out-migration. People are more easily attracted to an area than repelled from an area. If there is not a positive attraction to lure a potential migrant somewhere else, then all options to remaining in a place must generally be exhausted in order for a person to leave. More often than not, the decision to migrate is a mixture of attractions and repulsions which collectively affect the decision to move. While there are many factors affecting a family's or individual's decision to move, the most important factor for persons of working age is availability of work.


WEST
NORTH CENTRAL
NORTHEAST
WASH
OREG
PACIFIC
IDAHO
MONT
WYO
CALIF
NEV
MOUNTAIN
UTAH
COLO
ARIZ
N MEX
N DAK
S DAK
NEBR
KANS
MINN
IOWA
MO
WEST NORTH CENTRAL
WIS
MICH
ILL
IND
OHIO
EAST NORTH CENTRAL
NEW ENGLAND
MAINE
N Y
MIDDLE ATLANTIC
PA
DC
W VA
VA
KY
TENN
N C
SOUTH ATLANTIC
S C
GA
FLA
OKLA
ARK
TEXAS
LA
WEST SOUTH CENTRAL
MISS
ALA
EAST SOUTH CENTRAL
SOUTH
PACIFIC
ALASKA
PACIFIC
HAWAII

Given the regional distribution of migrants to Alaska, it is not surprising that while migration to and from the state is in part dependent upon federal military and program policy, it is also strongly dependent upon Alaska's economic opportunities relative to those in the West and in particular the Pacific Northwest.

A more detailed discussion of Alaska population trends, migration and the population of census areas and places is available in *Alaska Population Overview* currently available from the Alaska Department of Labor.

Summary

As estimated by the Alaska Department of Labor, Alaska's population as of July 1, 1984, was 523,048. The estimated population for the United States as of July 1, 1984, was 236,681,000. Alaska's land area of 570,833 square miles is 16.3% of the total land area of the United States while Alaska's population in 1984 consisted of 0.2% of the population of the United States. Alaska has an average of 0.91 persons per square mile. When Anchorage, which contains 46% of the state's population, is excluded from the calculation, the remainder of Alaska averaged 0.49 persons per square mile. Since most Alaskans live in towns and villages or clustered settlements, some remote areas of the state like Yukon-Koyukuk have as few as 50 persons per 1,000 square miles.

Table 1
Annual Components of Population Change for Alaska
1945-1984

July 1 to June 30	End of Period Population	Pop. Change	Components of Change			
			Births	Deaths	Natural Increase	Net Mig.
1945-46	103000		2050	1220	830	
1946-47	117000	14000	2490	1200	1290	12710
1947-48	126000	9000	2890	1180	1710	7290
1948-49	132600	6600	3300	1190	2110	4490
1949-50	137100	4500	3620	1220	2400	2100
1950-51	160000	22900	4110	1310	2800	20100
1951-52	185500	25500	5130	1310	3820	21680
1952-53	193800	8300	6270	1280	4990	3310
1953-54	200100	6300	6910	1240	5670	630
1954-55	206500	6400	7190	1200	5990	410
1955-56	212400	5900	7480	1220	6260	-360
1956-57	218600	6200	7730	1240	6490	-290
1957-58	220100	1500	7450	1200	6250	-4750
1958-59	224000	3900	6830	1170	5660	-1760
1959-60	230400	6400	7290	1250	6040	360
1960-61	236700	6300	7560	1300	6260	40
1961-62	242800	6100	7610	1290	6320	-220
1962-63	249900	7100	7670	1320	6350	750
1963-64	253200	3300	7480	1380	6100	-2800
1964-65	265200	12000	7170	1390	5780	6220
1965-66	271500	6300	6810	1320	5490	810
1966-67	277900	6400	6410	1300	5110	1290
1967-68	284900	7000	6350	1317	5033	1967
1968-69	294600	9700	6670	1330	5340	4360
1969-70	308500	13900	7230	1370	5860	8040
1970-71	319600	11100	7435	1443	5992	5108
1971-72	329800	10200	7126	1461	5665	4535
1972-73	336400	6600	6776	1466	5310	1290
1973-74	348100	11700	6831	1466	5365	6336
1974-75	384100	36000	7260	1495	5765	30235
1975-76	409800	25700	7691	1570	6122	19579
1976-77	418000	8200	8142	1611	6532	1669
1977-78	411600	-6400	8606	1650	6956	-13356
1978-79	413700	2100	8983	1649	7334	-5234
1979-80	419700	6000	9309	1645	7664	-1664
1980-81	435200	15500	9786	1698	8088	7413
1981-82	460837	25637	10714	1754	8960	16678
1982-83	495290	34453	11713	1850	9863	24591
1983-84	523048	27758	12208	1903	10305	17453

Source: Alaska Department of Labor, Research & Analysis, Demographic Unit, 1985.

Alaska

By Edward Eboch

Economic Outlook

The forecasted downturn in the Alaska economy is beginning to be supported by the seasonally adjusted employment hours and earnings and the labor force data. The composite nonagricultural employment index, seasonally adjusted for Alaska (see graph) indicates little or no growth while for Anchorage it has trended downward rather dramatically since the first of the year. While the Department of Labor employment estimates indicate a year to year increase in employment, the percent increase continues to be smaller over time. Even this year to year increase is suspect because actual data now available for the first quarter of 1985 indicates that the estimates were slightly optimistic. Also, revised employment estimates for July are down from the preliminary numbers. The estimates of labor force data indicate an August decline in both the labor force and in employment for the first time since 1979 (see the center insert). Average hours during the past two months have also been estimated to be below last year's in nearly all industries. The exception for July was in lumber and paper products, a result of mill closings that had the remaining employees putting in overtime (see Hours and Earnings Tables).

Construction remains the most difficult industry to estimate. For example, the information regarding housing starts is inconsistent with our residential construction sample, which shows an increase in employment from August of last year. The problem is that if firms are leaving the industry the remaining firms may in fact be experiencing more employment at a time when total employment is dropping.

The Oil Outlook

According to the International Energy Agency, oil consumption in Organization for Economic Cooperation and Development countries (which include the U.S., Japan and most Western European countries) was down by 3.5% in the second quarter after a drop of 2% in the first quarter of 1985. This downturn occurred during an expanding economic period and after an increase in consumption last year. At the present time there is little improvement in demand expected during the current quarter and no assurance that the winter months will result in year to year gains. If reports are to be believed a continued deterioration in crude oil prices can be expected. The implications for the state's budget and the impact on Alaska's economic activity in general are only too obvious.

Growth in Establishments

While employment growth in Alaska since 1981 has been impressive, not all industries have equally enjoyed the benefits of this growth. Nor have the opportunities for new entries into the various industries been equally available (see table). The percent increase in the number of firms in the construction industry exceeded the increase in employment. Construction has traditionally been an easy industry for new firms to enter. Transportation, communications and public utilities traditionally have been just the opposite, industries where new firms found it difficult to enter. This has changed with deregulation of the transportation industry as new firms have entered faster than the increase in employment. This increase in the industry employment has required both existing firms and new firms to be more efficient with the result being less employment per firm.

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	P/	R/		**Changes From:**	
	8/85	**7/85**	**8/84**	**7/85**	**8/84**
Nonag. Wage & Salary	245700	245900	243500	-200	2200
Mining	9700	9700	9200	0	500
Construction	23400	22300	25600	1100	-2200
Manufacturing	19400	21100	18900	-1700	500
Food & Kindred Prod.	13800	15300	13300	-1500	500
Lumber & Paper Prod.	2300	2600	2400	-300	-100
All Other Mfg.	3300	3200	3200	100	100
Trans. Comm & Utilities	20500	20300	20000	200	500
Trucking & Whseing.	2400	2300	2600	100	-200
Water Transportation	1700	1700	1600	0	100
Air Transportation	6800	6800	6300	0	500
Other Trans. Comm. & Utilities	9600	9500	9500	100	100
Trade	47400	47300	47500	100	-100
Wholesale	9100	9000	8900	100	200
Retail	38300	38300	38600	0	-300
Gen. Mer. & Apparel	5500	5300	5400	200	100
Food Stores	6400	6500	6000	-100	400
Eating & Drinking Pl.	14200	14300	14800	-100	-600
Other Retail Trade	12200	12200	12400	0	-200
Finance-Ins. & R.E.	13500	13500	12900	0	600
Services & Misc.	46300	46000	45100	300	1200
Government	65500	65700	64300	-200	1200
Federal	18300	18200	19300	100	-1000
State	19600	19900	18600	-300	1000
Local	27600	27600	26400	0	1200

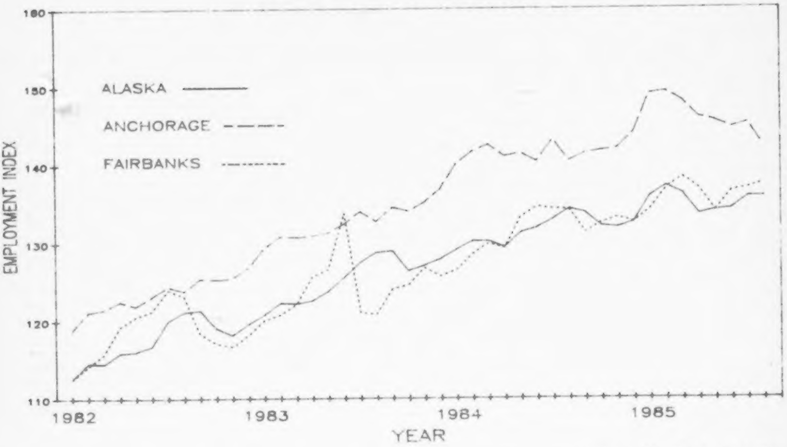
Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools and personnel employed by the University of Alaska.

Benchmark Date March 1984

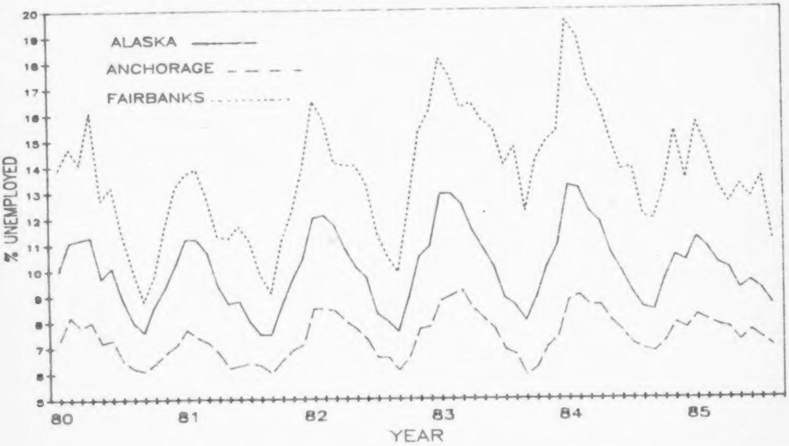
P/ Denotes Preliminary Estimates.
R/ Denotes Revised Estimates.

Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 to Present



source: Ak. Dept. of Labor

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1980 To Present



source: Ak. Dept. of Labor

Anchorage/MatSu

By Greg Huff

Anchorage Business Services

The segment of the Anchorage economy categorized as business services accounted for 1,870 new jobs between 1980 and 1984, a 56% growth. Business services contains ten primary components which differ in regard to the services they offer. Business services range from public relations to window washing. They do not include segments of government which play a major part in providing services to private enterprise.

Those business services firms with the expertise to do specialty work are hired because businesses, associations, and government agencies have found it increasingly difficult to keep up with rapidly expanding technology in a wide range of fields. In addition, the expense to maintain full time staffs for specialty functions is often prohibitive.

Business services have been among the fastest growing industries in recent years not only in Anchorage but throughout the United States. The largest component of business services is the miscellaneous business services sector, Standard Industrial Classification (SIC) 739 (see Table 2, SIC codes for sector breakdown.) This component accounts for nearly half of total business service employment. Within this category the management, consulting, and public relations group represents the largest share. This group was also among the fastest growing. Employment expanded 150% from 1980 levels to 980 in 1984, and the number of firms increased from 93 to 153. This industry is highly competitive, consisting mainly of small, entrepreneurial firms averaging 6.3 employees in 1984.

Government activities and policies have a definite impact on consultants. Government contracts are the lifeblood to many consulting and research firms, particularly those specializing in economic, environmental and demographic issues. With falling state revenues the consulting expenditures will also likely fall with it. The growth trend for management and public relations employment will continue but may slow as the growth in the Anchorage economy slackens.

The next largest component of the miscellaneous business service sector is comprised of detective and protective agencies. The number of security guards was virtually constant from 1980 to 1984. The competition in this industry is keen and entry into the market is relatively easy. The number of firms increased nearly two fold from 1980 to 1984. The majority were small to medium in size (1 to 25 employees) as indicated by the average number of employees per firm, which dropped from 44 to 30.

Employment in the third largest segment of miscellaneous business services, equipment rental, is extremely sensitive to construction activity. From 1980 to 1984 when construction activity was at its height rental equipment employment increased 152% to over 380 and the number of firms operating in the Anchorage market expanded from 39 to 67. Employment will likely fall as construction activity slows.

Many companies leave the recruitment and screening of workers to experts in personnel services when they seek to hire temporary workers during peak work load periods, to substitute for sick or vacationing employees, or where they recruit for permanent staff. During the period of 1980 through 1984, when total employment in Anchorage expanded 40%, personnel services companies benefited considerably. Personnel services employment grew one and a half times faster than employment growth for the Alaska economy as a whole and the number of employees per establishment increased from 17.6 to 23.2. Also, the number of firms increased to 38, up 14 firms from 1980. A fall in the number of job orders, as Anchorage's economic growth slows, will hamper continued growth in the personnel service industry.

Employment in businesses which clean and maintain buildings grew little from 1980 to 1984, despite the large number of buildings that were erected during that period. The business is very competitive and in general the market is easy to enter as indicated by the increase in the number of firms from 71 to 113 while the average number of employees dropped from 10.7 to 7.5. Employment in this sector will continue to grow slowly and remain highly competitive.

Computer and data processing services employment, and the average size of an establishment, more than doubled during the period. In 1980 the average size was slightly over six employees per firm and grew to 12 by 1984. Entry into the market is more difficult than with other business services because of the capital expenditures needed. Few firms entered the Anchorage market. Those that did enter the market were established computer and data processing firms from the lower 48 which already had business dealings in Anchorage. This sector will continue to experience above average growth in the future.

Advertising, a very specialized and competitive sector, employed 166 workers in 1984, an 85.5% increase over 1980 employment levels. The entry of five establishments increased the number to 19. Growth is likely in the future, but an economic slowdown may force advertising expenditures down.

Current Trends

Fewer construction jobs and moderating employment increases in the trade and services sectors brought Anchorage's employment growth to the lowest levels in over six years. This decline, however, does not indicate that Anchorage's economy is approaching recessionary levels, rather it indicates a period of adjustment, a period to consolidate gains made between 1980 and 1984. Although employment growth has slowed substantially, unemployment is not increasing—employment and population growth have both slowed. Layoffs in the seafood processing plants have begun as another good salmon season begins to wind down. Over the year declines in federal government employment reflect the transfer of the Alaska Railroad from federal to state ownership.

Alaska Reporting Establishments
(1981-1984)

	Fourth Quarter 1981	Fourth Quarter 1982	Fourth Quarter 1983	Fourth Quarter 1984	Percent Change 4Q81-4Q84	Percent Change Annual Average Employment 1981-1984
Mining	254	260	249	250	-1.6	-1.2
Construction	2021	2506	3100	3378	67.1	55.8
Manufacturing	512	528	495	516	.1	-19.5
Trans. Comm. Public Utilities	931	971	1033	1060	13.9	3.3
Wholesale Trade	672	730	754	803	19.5	33.1
Retail Trade	2506	2655	2698	2979	18.9	34.6
Finance-Insurance & Real Estate	897	946	986	1060	18.2	41.4
Services	4029	4332	4658	4999	24.1	29.2
Agriculture	222	207	218	226	1.8	
Non-Classified	220	379	372	448	103.6	
Total Private Ownership	12264	13514	14563	15719	28.2	23.0

Reporting Unit: Consists of any establishment or job site for which data is separately identified on the employer contribution report or supplemental report. An individual or company which has two or more separate establishments located within the same geographic area engaged in the same industrial activity is counted as a single reporting unit. In order to obtain a more detailed and accurate classification of employment and wages, a company operating establishments with employment in more than one geographic area submits a report for each area; and companies engaged in distinctly different lines of industrial activity at one or more locations submit separate reports for each activity. Each such report is counted as a separate reporting unit. Self employed individuals are excluded from reporting units.

Table 1
Anchorage Business Services Employment
1980 and 1984

(SIC)	Average Employment 1980	Number Firms 1980	Average Employment 1984	Number Firms 1984	Employment Change
731	90	15	166	19	84%
732	*	*	*	*	
733	76	15	221	29	191%
734	828	71	864	113	4%
735	*	*	*	*	
736	579	24	942	40	63%
737	197	30	410	38	108%
739	1387	176	2476	322	79%
7391	*	*	*	*	
7392	397	90	943	154	138%
7393	503	10	505	18	0%
7394	163	37	365	62	124%
7395	*	*	*	*	
7397	*	*	*	*	
7399	205	38	398	68	94%
Total	3329	535	5201	879	56%

* Not shown to avoid disclosure of data for individual firms.
Source: Alaska Dept. of Labor, Research and Analysis Section.

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

				Changes From:	
	P/	R/			
	8/85	7/85	8/84	7/85	8/84
Nonag. Wage & Salary	119000	119150	117600	-150	1400
Mining	4200	4100	4100	100	100
Construction	11800	11400	12350	400	-550
Manufacturing	3550	3900	3400	-350	150
Food & Kindred Prod.	1350	1700	1250	-350	100
Other Mfg.	2200	2200	2150	0	50
Trans. Comm. & Utilities	9900	9850	9900	50	0
Trucking & Whseing	1300	1250	1450	50	-150
Water Transportation	450	450	450	0	0
Air Transportation	4000	4000	4000	0	0
Other Trans. Comm. & Utilities	4150	4150	4000	0	150
Trade	28450	28500	27750	-50	700
Wholesale	6800	6950	6650	-150	150
Retail	21650	21550	21100	100	550
Gen. Merchandise	1600	1550	1650	50	-50
Food Stores	3300	3200	3200	100	100
Eating & Drinking Pl.	8450	8500	8300	-50	150
Other Retail Trade	8300	8300	7950	0	350
Finance-Ins. & R.E.	9200	9100	9050	100	150
Services & Misc.	26500	26650	25900	-150	600
Government	25400	25650	25150	-250	250
Federal	10150	10100	10650	50	-500
State	6600	6750	6200	-150	400
Local	8650	8800	8300	-150	350

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

				Changes From:	
	P/	R/			
	8/85	7/85	8/84	7/85	8/84
Nonag. Wage & Salary	127200	127250	124950	-50	2250
Mining	4250	4150	4100	100	150
Construction	12950	12550	13700	400	-750
Manufacturing	3700	4050	3550	-350	150
Trans. Comm. & Utilities	10750	10650	10650	100	100
Trade	30350	30350	29500	0	850
Finance-Ins. & R.E.	9600	9600	9150	0	450
Services & Misc.	28100	28200	27050	-100	1050
Government	27500	27700	27250	-200	250

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84
Alaska Statewide	259475	263841	260115	22394	24259	21466	8.6	9.2	8.3	237081	239582	238649
Anch.-MatSu Region	136228	137810	135313	10613	11151	9488	7.8	8.1	7.0	125615	126659	125825
Anchorage Borough	121838	123209	121388	8589	9019	7950	7.0	7.3	6.5	113249	114190	113438
MatSu Borough	14390	14601	13925	2024	2132	1538	14.1	14.6	11.0	12366	12469	12387
Gulf Coast Region	30742	32099	30597	2728	2891	2553	8.9	9.0	8.3	28014	29208	28044
Kenai Peninsula Bor	19261	20044	19036	2166	2220	1922	11.2	11.1	10.1	17095	17824	17114
Kodiak Island Bor	6926	7276	6925	309	376	300	4.5	5.2	4.3	6617	6900	6625
Valdez-Cordova	4555	4779	4636	253	295	331	5.6	6.2	7.1	4302	4484	4305
Interior Region	38342	39090	38318	4082	5090	4050	10.6	13.0	10.6	34260	34000	34268
Fairbanks North Star Borough	31144	31742	30989	3465	4272	3303	11.1	13.5	10.7	27679	27470	27686
Southeast Fairbanks	2977	3013	3076	189	247	288	6.3	8.2	9.4	2788	2766	2788
Yukon-Koyukuk	4221	4335	4253	428	571	459	10.1	13.2	10.8	3793	3764	3794
Northern Region	8600	8703	8422	1133	1269	985	13.2	14.6	11.7	7467	7434	7437
Kobuk	2683	2760	2747	340	427	413	12.7	15.5	15.0	2343	2333	2334
Nome	3533	3576	3500	407	465	387	11.5	13.0	11.1	3126	3111	3113
North Slope Borough	2384	2367	2175	386	377	185	16.2	15.9	8.5	1998	1990	1990
Southeast Region	33296	33582	35243	2713	3033	3297	8.1	9.0	9.4	30583	30549	31946
Haines Borough	1015	1030	1085	52	68	79	5.1	6.6	7.3	963	962	1006
Juneau Borough	12853	12989	13505	1015	1164	1139	7.9	9.0	8.4	11838	11825	12366
Ketchikan Gateway Borough	6951	7071	7789	464	592	1013	6.7	8.4	13.0	6487	6479	6776
Prince of Wales-Outer Ketchikan	2492	2520	2555	288	318	253	11.6	12.6	9.9	2204	2202	2302
Sitka Borough	4459	4330	4401	554	429	322	12.4	9.9	7.3	3905	3901	4079
Skagway Yakutat-Angoon	1979	2018	2106	152	193	197	7.7	9.6	9.4	1827	1825	1909
Wrangell-Petersburg	3547	3624	3802	188	269	294	5.3	7.4	7.7	3359	3355	3508
Southwest Region	12267	12557	12222	1125	825	1093	9.2	6.6	8.9	11142	11732	11129
Aleutian Islands	2906	3021	2951	114	81	162	3.9	2.7	5.5	2792	2940	2789
Bethel	4949	5014	4854	644	481	554	13.0	9.6	11.4	4305	4533	4300
Bristol Bay Borough	463	480	462	25	19	25	5.4	4.0	5.4	438	461	437
Dillingham	1970	2022	1965	123	77	120	6.2	3.8	6.1	1847	1945	1845
Wade Hampton	1979	2020	1990	219	167	232	11.1	8.3	11.7	1760	1853	1758

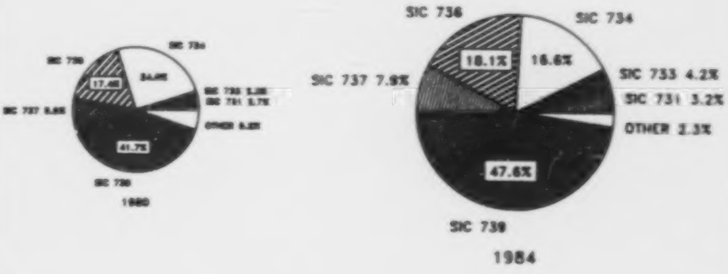
P/ Preliminary R/ Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Table 2
Standard Industrial Classification

SIC Code	Type of Business
731	Advertising Agencies
732	Consumer Credit Reporting Agencies
733	Mailing, Reproduction, Commercial Art and Photography
734	Services to Dwelling and Other Buildings
735	News Syndications
736	Personnel Supply Services
737	Computer and Data Processing Services
739	Miscellaneous Business Services
7391	Research and Development Laboratories
7392	Management, Consulting and Public Relations Services
7393	Detective Agencies and Protective Services
7394	Equipment Rental and Leasing Services
7395	Photo-finishing Laboratories
7397	Commercial Testing Laboratories
7399	Business Services, Not Elsewhere Classified

Anchorage
Business Services
1980 and 1984



Source: Ak. Dept of Labor, Research and Analysis

Fairbanks/Interior

By Neal Fried

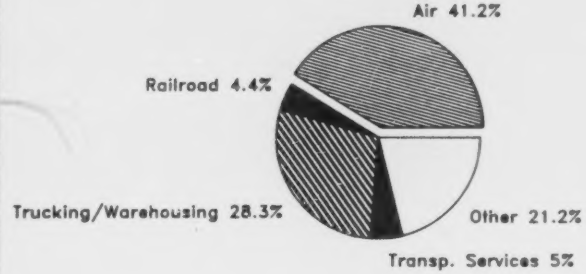
Fairbanks' Transportation Industry

Fairbanks is often referred to as the transportation hub of the Interior and Northern Regions of the state. Do the statistics support this contention? At the present time approximately 6% of Fairbanks' wage and salary work force, 1,800 people, earn their livelihood in this industry. This may not sound significant but when compared to the national average of 3% it becomes apparent that comparatively, transportation does play an important role in the Fairbanks economy.

Transportation is a broad category which includes air, trucking and warehousing, pipeline, railroad, and other miscellaneous transportation. Most of these categories are self explanatory except transportation services and 'other transportation'. Transportation services is composed largely of travel agencies, while other transportation includes water transport, taxicabs, pipelines, school buses, and miscellaneous transportation.

Because of disclosure laws which prevent release of data that might disclose information about an individual firm, some of these categories have been combined in this article for reporting purposes. The North Star Borough's public transport system is not included because these statistics are part of local government numbers. The railroad statistics are normally found in the government sector but were broken out for this article because of the importance of the railroad to the Fairbanks' transportation industry.

Over the past five years the transportation industry in Fairbanks has not been growing rapidly. Though its 19% rate of growth during this time has been more than respectable, it has not kept up with the area's 33% overall growth. Deregulation of both the trucking and air industry, along with a number of other factors have made transportation a volatile industry.



**Fairbanks Transportation Industry
Employment by Sector
1984**

Source: Ak. Dept. of Labor, Research and Analysis Section

While trucking and warehousing employment has been cyclical over the past five years, overall employment has increased. Economic expansion in Fairbanks, the remainder of the Interior, and the North Slope fueled most of this growth. Deregulation and the national recession created a fiercely competitive climate where many firms became more competitive or went out of business and where new firms, many offering alternative services, were created.

The air transportation industry has not differed significantly from trucking and warehousing. This is transportation's single largest sector, with 41% of the industry's employment. Growth in this segment of the industry was sporadic. An early blow to this industry was the loss of the international air carriers which stopped in Fairbanks before continuing on to the Orient or Europe. The amount of freight moving through the Fairbanks International Airport has been falling steadily, partially as a result of the international carrier losses but also due to more competition from trucking and sea-lift traffic heading to the oil fields. Wien Airline's withdrawal from the region pulled employment down temporarily, but Mark Air's entry into the market quickly filled in for this loss. The number of small commuter and freight airlines to service the bush grew quickly as a result of deregulation and Wien's withdrawal. Unlike freight, passenger traffic grew for a number of years and is presently holding steady.

The remainder of Fairbanks' transportation industry has also experienced change. Alyeska Pipeline Service Company reduced its work force cutting away at the 'other transportation' category. The Alaska Railroad was sold in early 1985 to the state after 61 years of federal ownership. It is still too early to tell what effect this will have on Fairbanks' segment of the railroad.

In spite of difficulties, the transportation industry has managed employment growth. This industry's health is largely dependent on the health of the local economy and over the past five years Fairbanks' has enjoyed economic prosperity. The present slowing of the local economy will make it more difficult for transportation employment to grow, however one bright prospect is a projected increase in North Slope activity.

Current Trends

Fairbanks' employment for this year is close to reaching its peak level in August. August's wage and salary employment was 30,450. The only year this number was exceeded in August was in 1975 when the construction of the trans-Alaska pipeline was in full swing. This number indicates employment in the Fairbanks economy is growing at approximately a 2% rate over the year. Most of this growth continues to come from the area's secondary industries including retail trade; services; finance, insurance and real estate; and government.

The unemployment picture remains stable. Fairbanks' unemployment rate of 11.1% in August, 1985 is slightly higher than the unemployment rate of 10.7% in August 1984. The number of unemployed has grown over the year, but so has the number employed, keeping the rate largely unchanged.

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

				Changes From:	
	P/ 8/85	R/ 7/85	8/84	7/85	8/84
Nonag. Wage & Salary	30450	30100	29750	350	700
Mining	200	200	250	0	-50
Construction	3950	3600	3950	350	0
Manufacturing	650	650	600	0	50
Trans. Comm. & Utilities	2950	3000	3000	-50	-50
Trucking & Whseing	450	500	450	-50	0
Air Transportation	900	900	850	0	50
Other Trans. Comm. & Utilities	1600	1600	1700	0	-100
Trade	6500	6550	6200	-50	300
Wholesale	1100	1100	1100	0	0
Retail	5400	5450	5100	-50	300
Gen. Mer. & Apparel	600	650	550	-50	50
Food Stores	800	850	800	-50	0
Other Retail Trade	4000	3950	3750	50	250
Finance-Ins. & R.E.	1050	1050	1000	0	50
Services & Misc.	5950	5900	5850	50	100
Government	9200	9150	8900	50	300
Federal	2900	2900	2850	0	50
State	3800	3800	3600	0	200
Local	2500	2450	2450	50	50

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

				Changes From:	
	P/ 8/85	R/ 7/85	8/84	7/85	8/84
Nonag. Wage & Salary	35300	34700	34650	600	650
Mining	350	350	350	0	0
Construction	4100	3750	4150	350	-50
Manufacturing	700	700	600	0	100
Trans. Comm. & Utilities	3700	3750	3800	-50	-100
Trade	6950	7050	6750	-100	200
Finance-Ins. & R.E.	1150	1100	1050	50	100
Services & Misc.	6600	6350	6300	250	300
Government	11750	11650	11650	100	100

Gulf Coast

By Neal Fried

The Summer Season

Though all of the Gulf Coast's economic activity is not confined to the summer season, it is the time of the year indicative of the economic health of the area. When summer rolls around each year the big question becomes whether it will be a good construction, fishing or tourism season. If it is going to be a good year, not only will employment in these industries grow their typical seasonal share but they will have gains over the previous summer.

Gulf Coast's summer season has insured that 1985 will be recorded as another year of growth. The region's employment has increased approximately 5% for the summer of 1985. This is below the average for the past four years, but it remains a more than respectable rate as most of the area's industries have contributed to this growth in employment.

The area's seasonal industries, tourism, fishing and construction, all exhibited employment gains again this year. Tourism is difficult to assess because there are no comprehensive indicators for this industry in the Gulf Coast area. However, information from a number of different sources suggest that the industry improved this year. According to both federal and state park officials, visitation statistics were up this summer. Hotel and motel proprietors had a more mixed response. None reported a slower season, but some reported a flat year and others small increases. Hotel and motel employment statistics indicated a moderate increase. Fewer foreign tourists and more Americans going to Europe because of the strong dollar may explain some of this sluggishness. Anchorage's population, a large source of tourism for the Gulf Coast region, grew less slowly this year and therefore did not contribute as many new tourists as it has in past years. In spite of this, tourism appears to have improved, contributing to this summer's growth.

This summer's salmon season was better than average. All areas within the region with the exception of Kodiak reported larger catches than last year. This provides some compensation for the low shellfish harvests the area has been experiencing for a number of years. The abundant salmon catch has also meant more fish processing this year, pushing our wage and salary employment figures higher.

Though 1985's construction season did not start off as the past few years, it did manage to record gains. Unlike some areas of the state, the Gulf Coast did not over-build the residential sector to the degree many other parts of the state had. Subsequently, the number of residential building permits issued for the first six months of the year for the area was slightly higher than in 1984. Commercial and public construction were also active this summer.

Nineteen eighty-five's strong summer has meant that thousands of workers who depend on seasonal work for their livelihoods were successful this year. As many as 9,000 more workers were employed in July, the region's peak month, compared to January, the area's low month. There are indicators that next year's summer labor market could be tighter. Construction is expected to slow because of declining oil revenues and less population growth. These two factors will affect other industries in the region. Tourism will continue to expand, but at a slower pace because Anchorage's population is not expected to grow much in 1986.

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

	P/	R/		Changes From:	
	8/85	7/85	8/84	7/85	8/84
Nonag. Wage & Salary	25200	26150	24650	-950	550
Mining	850	900	800	-50	50
Construction	2800	2450	2800	350	0
Manufacturing	6300	7600	6250	-1300	50
Food & Kindred Prod.	5600	6850	5600	-1250	0
All Other Mfg.	700	750	650	-50	50
Trans. Comm. & Utilities	2100	2100	2150	0	-50
Trade	4030	4000	3750	50	300
Wholesale	650	600	550	50	100
Retail	3400	3400	3200	0	200
Finance-Ins. & R.E.	700	700	650	0	50
Services & Misc.	3550	3550	3350	0	200
Government	4850	4850	4900	0	-50
Federal	550	550	550	0	0
State	1550	1550	1550	0	0
Local	2750	2750	2800	0	-50

Southeast Alaska

By John Boucher

Southeast Alaska 1980 to 1984

From 1980 to 1984 the Alaska economy grew at an almost frenzied pace. Growth in terms of employment was slightly over 30% during this five year period, while the population of Alaska increased by more than 120,000, a growth rate similar to employment. To put this growth rate into perspective, consider the fact that if this growth were sustained, Alaska would double its 1980 population and employment by 1995.

The stimuli for this dramatic growth were somewhat varied, however, there were two major factors responsible for much of this growth; a dramatic increase in the amount of oil revenue being generated by the Prudhoe Bay oil fields, and the recession that was occurring throughout much of the continental U.S. The increase of oil revenue to 4.1 billion dollars in 1983 stimulated employment growth in a myriad of ways, from increasing state government employment directly through expanded services, to construction employment growth through large capital projects, subsidized housing mortgages, and industrial development programs, and even by spending large amounts of money to promote the tourism and fishing industries within Alaska. All of these became possible through the dramatic oil price increase of 1979.

The stimulation of employment growth by oil revenues happened to come at a time when much of the rest of the country was experiencing the worst recession of the post-war era. The dynamic Alaskan economy was a magnet for the unemployed construction and displaced factory workers of the Pacific Northwest and from the Midwestern states. These factors all added up to one of the biggest five year growth phases in Alaska's history.

As is often the case with dramatic growth in any economy, the growth was not evenly distributed amongst all sectors of the economy nor was it spread equally throughout the different geographic regions of the state. Southeast Alaska was a relatively slow growth area of the state during these five years. While statewide employment and population both grew over 30%, Southeast Alaska's population grew 13% while employment grew only 8.1%. Examination of employment growth by industry gives some insight into why Southeast was a laggard compared to the rest of the state.

Southeast Alaska's economy has traditionally had two dominant basic industries, government and manufacturing. Government, with its three sectors of federal, state and local, has been the single largest employer in Southeast Alaska. The state government is the largest of these sectors, followed by local government and the federal government. The manufacturing industry, composed primarily of seafood processing employment and wood processing employment, has traditionally been Southeast Alaska's largest private employer. From 1980 to 1984, however, the traditional underpinnings of the Southeast economy began to become uprooted.

In 1980, manufacturing employment accounted for 16.6% of all wage and salary employment in the Southeast region. Market conditions in both the wood products and seafood processing sector began to erode in that year and employment began falling between 1% and 2% annually until manufacturing accounted for slightly over 10% of total employment in the region. By 1985 nearly 1,500 jobs in the manufacturing sector had been lost, with about two-thirds of those being in the lumber and paper products sector. It is worth noting that had the manufacturing industry stayed at its 1980 level throughout this period, employment growth in the region would have been nearly 14% instead of the 8% that occurred. This doesn't include the additional secondary industry jobs that could have been supported had these jobs been present.

The manufacturing industry was not the only industry which experienced employment declines during this period. Transportation, communication and public utilities lost nearly 600 jobs in the five year period. Part of this decline is attributed to the closure of the White Pass Yukon railroad, and the rest of the employment drops occurred in the water and air transportation sectors. The slowdown in water transportation is attributed to the decline of stevedoring activity related to the ailing manufacturing sectors.

Federal government employment was the other major employment loser from 1980 to 1984, but the employment drop from 1980 to 1984 is slightly overstated. In 1980 the decennial census was taking place and employment in Southeast increased almost 200 from 1979's level because of census enumerators being added to the federal payroll. The drop in employment of approximately 200 employees from 1981 to 1984 is accounted for largely by the transfer of Mt. Edgecumbe High School from federal to state control. This employment loss should be largely recovered under the auspices of state government after reopening of the school.

In summary, several major causes can be singled out as drags on employment growth in Southeast Alaska from 1980 to 1984; the closure of the White Pass Yukon railroad; the temporary shutdown of Mount Edgecumbe High School; and most important of all, the world wide slump in the forest and fish products industry. It is useful to note that other areas of the state that are dependent upon the manufacturing industry for a good portion of their wage and salary employment had very similar experiences to the Southeast region. The Kodiak and Cordova areas are two excellent examples of this phenomenon.

Growth Within the Region

Just as growth was not equally distributed among the regions of the state from 1980 to 1984, neither was growth evenly distributed among the census areas within the Southeast region. As would be expected, areas whose economies are more dependent upon manufacturing employment did not fare well.

The Wrangell-Petersburg, Sitka, and Ketchikan census areas all have been dependent upon the wood processing and seafood processing industries for a good portion of their wage and salary employment and the poor performance of these communities in terms of employment growth is attributable to this dependence. The Wrangell-Petersburg census areas suffered the most during this period, losing 19.1% of employment from 1980. Sitka was the next largest employment loser at 12.5% of 1980 employment, and Ketchikan was the only other census area to experience an employment loss, with 2.0% of total employment lost from 1980 to 1984. It is important to note here that these figures do not include self-employed individuals or agricultur-

Fairbanks Transportation Employment by Industry
1980-1984

	1980	1981	1982	1983	1984	Percent Change 1980-1984
Total Transportation	1493	1671	1748	1663	1776	19.0%
Trucking/Warehousing	390	462	489	429	503	29.0%
Air	622	634	558	677	731	17.5%
Railroad	85	101	85	67	78	-8.2%
Transportation Services	52	62	66	81	88	69.2%
Other Transportation	344	412	549	409	376	6.6%

Source: Alaska Department of Labor, Research and Analysis Section

al workers. This is especially crucial when evaluating economic conditions in these communities because fishermen are not being counted and they provide a very important source of employment and income to these communities as well as other communities in Southeast Alaska.

Communities that have a broader base of industries or that have little or no wood or seafood processing employment fared reasonably well during this period. The Skagway-Yakutat-Angoon census area for example had beneficial growth in the tourism industry during this time. The employment growth in services as well as growth in construction employment helped this area cushion the loss of the White Pass Yukon railroad and its annual payroll of 4.5 million dollars. The Haines census area was also a benefactor of the growth in the secondary industries of trade and services due to tourism. In term of percentage growth in employment, the Haines census area was right behind Juneau, growing 22% from 1980 to 1984.

Juneau employment grew 23% from 1980 to 1984 largely on the strength of a post capital move expansion and the addition of state and local government employment. A residential and commercial construction boom followed by an expansion in the secondary industries of trade and services added nearly 2,600 new jobs to the Juneau economy during this five year period.

Unemployment Since 1980

While the employment news for the communities of Southeast was somewhat mixed, unemployment in nearly every census area of the region was worse in 1984 than in 1980. The troubles in the wood products industry as well as the closure of the White Pass Yukon railroad contributed to the higher unemployment. Another reason for higher unemployment was the large role that construction employment growth played in the Southeast economy during this period. Even during extremely good construction years employment in this industry tend to have built-in periods of inactivity either due to weather or other seasonal factors. A result of an increasing percentage of construction employment in the region could be an overall increase in the unemployment rate.

An even more important factor in the growth of unemployment in the region during this period was in-migration from the continental U.S. In other regions of the state, employment growth was strong enough to keep pace with new entrants into the labor force from out of state. In the Southeast region though employment was not growing as rapidly as the labor force was expanding and an increasing unemployment rate was the result.

Current Trends

Southeast Alaska wage and salary employment moved up slightly in the month of August to 31,900, increasing 350 jobs over July's level. That translated into an increase in employment of a little more than 1% over the month. Employment was down 2% from August of 1984, which meant that there were 650 more jobs in Southeast Alaska last year than there were this August. The majority of the job loss over the year can be attributed to the drop in construction employment, which lost 600 jobs in the Southeast economy compared to last August.

Manufacturing employment continues to be the story of the summer in the Southeast economy. In August there wasn't much change in total employment at the industry level, however there was a major shift in employment in manufacturing's sub-sectors. The closure of the Sitka pulp mill and related side effects in the wood products industry caused an employment drop of 400 jobs in the lumber and paper products sector. Meanwhile, the strong salmon runs in Southeast continued to push food and kindred products employment upward, gaining 450 jobs over the month. It should be noted here that in the long term, those 400 jobs lost at the Sitka pulp mill are much more important to the Southeast Alaska economy because they tend to be higher paying, stable year round employment, while the 450 jobs gained in the fishing industry over the month will in all probability be gone by next month.

Table 1
Southeast Alaska Employment Growth by Census Area

Census Area	**1980**	**1981**	**1982**	**1983**	**1984**
Haines Borough	573	547	603	611	700
Juneau Borough	10838	11498	12194	12763	13432
Ketchikan Gateway	5841	5598	5714	6024	5723
Prince of Wales-Outer Ketchikan	1278	1502	1510	1544	1683
Sitka	3742	3739	3434	3347	3271
Skagway-Yakutat-Angoon	1328	1455	1594	1565	1526
Wrangell-Petersburg	2979	2722	2631	2605	2402
Southeast Alaska	26570	27061	27680	28459	28737
Percent of State	15.7%	14.6%	13.9%	13.4%	12.9%

Table 2
Southeast Alaska Employment Growth by Industry

	1980	**1981**	**1982**	**1983**	**1984**
Nonag. Wage & Salary	26711	27097	27730	28567	28844
Construction	1212	1404	1516	1988	1784
Manufacturing	4425	3959	3721	3240	2982
Food & Kindred Prod.	1329	1201	1092	908	871
Lumber & Paper Prod.	2887	2539	2400	2106	1882
All Other Mfg.	210	219	229	226	230
Trans. Comm. & Utilities	2522	2506	2238	2021	1950
Trade	3586	3854	4154	4411	4587
Wholesale	298	300	334	444	388
Retail	3288	3544	3820	3967	4199
Finance-Ins. & R.E.	1070	1089	961	1000	1046
Mining, Services & Misc.	3255	3420	3856	4312	4564
Government	10639	10879	11276	11593	11931
Federal	2500	2283	2216	2163	2087
State	4687	4980	5317	5411	5525
Local	3451	3611	3744	4019	4319

Table 3
Southeast Alaska Population /1
1980-1984

	1980	1984	Percent Change
Haines	1680	1839	9.5%
Juneau	19528	23729	21.5%
Ketchikan	11316	12705	12.3%
Prince of Wales-Outer Ketchikan	3822	4652	21.7%
Sitka	7803	7611	-2.5%
Skagway-Yakutat-Angoon	3478	3716	6.8%
Wrangell-Petersburg	6167	6625	7.4%
Southeast	53,794	60,877	13.2%

/1 These numbers are not strictly comparable due to seasonal fluctuations in population. The 1980 numbers are as of April 1, 1980 while the 1984 numbers are as of July 1, 1984.

Table 4
Unemployment Rates by Census Area
1980-1984

	1980	1981	1982	1983	1984
Southeast Region	9.0	10.7	11.4	12.3	12.6
Haines Borough	13.9	13.1	14.3	16.2	13.3
Juneau Borough	7.2	7.4	8.3	9.3	9.9
Ketchikan Borough	9.1	12.2	12.3	12.0	15.1
Prince of Wales-Outer Ketchikan	12.1	16.4	16.7	18.3	15.8
Sitka Borough	7.6	9.1	12.2	10.8	10.0
Skagway-Yakutat-Angoon	12.5	14.0	13.4	20.2	15.0
Wrangell-Petersburg	11.0	13.5	13.4	14.8	16.1

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	31900	31550	32550	350	-650
Construction	1850	1800	2450	50	-600
Manufacturing	4650	4600	4650	50	0
Food & Kindred Prod.	2550	2100	2450	450	100
Lumber & Paper Prod.	1850	2250	1950	-400	-100
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2300	2200	2150	100	150
Trade	5200	5150	5350	50	-150
Wholesale	450	450	450	0	0
Retail	4750	4700	4900	50	-150
Finance-Ins. & R.E.	1150	1150	1200	0	-50
Mining, Services & Misc.	4900	4900	5000	0	-100
Government	11850	11750	11750	100	100
Federal	2250	2250	2150	0	100
State	5550	5550	5450	0	100
Local	4050	3950	4150	100	-100

Hours and Earnings

By Kathy Thomas

Average Annual Pay for the U.S. and Alaska

Frequently wage data has been presented in previous issues of *Alaska Economic Trends.* The source of most wage data other than average hourly earnings is from ES-202 reports. These reports are required for those industries and businesses covered by unemployment insurance and include monthly employment and quarterly payroll. By dividing total annual payroll by average monthly employment, an annual average pay is computed. For this article average annual pay as calculated by the U.S. Department of Labor, Bureau of Labor Statistics for total U.S., each of the fifty states, and the District of Columbia is used. Also calculated by the Bureau of Labor Statistics is an industrial breakdown of average annual pay for those areas.

Overall Alaska had the highest average annual pay of all the states. At $28,806, it was 57% greater than the U.S. average of $18,350. South Dakota had the lowest average annual pay at $13,532. However, Alaska had the lowest rate of growth in pay from 1983 to 1984, only 0.2%. It was the only state with less than 1% growth in pay. The national average was 4.6% and the state with the highest rate of growth was Michigan, 6.3%.

Alaska was no different from most other states in that mining has the highest average annual pay of all industries. For Alaska, in 1984, average annual pay for mining was $56,444. Mining was also one of the strongest industries in terms of growth in pay. At 3.4% this growth in mining pay in Alaska was still less than the national average growth in pay in mining of 4.6%. The District of Columbia was second with an annual average pay in mining of $55,260 but the District of Columbia was an unusual occurrence. Average annual pay in mining in the District of Columbia increased 28.7% from 1983 to 1984 the largest percentage change of any industry and of any state. Mining pay in Maryland, directly adjacent to the District of Columbia, increased 20.6%.

A number of Alaskan industries experienced only nominal increases in pay. These included transportation, communication, and public utilities, 0.4%; wholesale trade, 0.9%; and services, 0.1%. Pay in construction actually declined 5.4%. Even with a decline in average annual pay construction was still one of the higher paid industries in Alaska, second only to mining. Alaska's construction pay was twice the national average for construction. The decline does indicate a slow down of construction activity in the state as contractors attempt to cut costs in competition for contracts. A high construction wage is more indicative of the nature of the industry in Alaska. Shifts tend to be longer in the summer to accommodate the longer daylight hours resulting in more overtime pay. Plus there would be a pay differential for isolated locations lacking in the usual amenities.

In Alaska, as with most other states, the industry with the lowest average annual pay was retail trade. Retail trade was also one of the slower growing industries in terms of wages with a 1.6% change from 1983 to 1984. Besides the high number of entry level jobs in retail trade, there are also a number of part time positions. Since average annual pay is total payroll divided by average monthly employment, a large number of part time employees would result in a lower annual average pay.

When Alaska is compared to Michigan, the state with the most rapid rise in average annual pay, only one industry in Michigan had a higher average annual pay. Manufacturing pay in Michigan was $29,820 compared to Alaska's $25,388. Manufacturing also had the fastest growing pay rate in Michigan, 7.7% from 1983 to 1984. Alaska's manufacturing industry is dominated by seafood processing and timber. Seafood processing, besides having low average hourly earnings is also very seasonal thereby causing the same sort of limitations found in retail trade. Michigan's manufacturing, however, is based on a year round auto industry with a higher paid work force.

Alaska's average annual pay is well above the national average, all other states, and the District of Columbia. However, when government is excluded from the computation, average annual pay for the state declined 1.0%. This decline in pay indicates a general slowdown of industrial activity, especially in construction.

Current Events

Average weekly hours for all industries except lumber and paper products declined from year ago levels. This trend is a continuation from June average weekly hours in which five of the seven industries declined from year ago levels. The data of subsequent months should be evaluated before making conclusive remarks about the trend but the initial impression is that a general slowdown in the Alaskan economy is underway. Other indicators also point to diminishing economic activity in the state (refer to the Alaska article for additional information).

Average hourly earnings in lumber and paper products increased mainly as a result of a change in the industry mix. The Alaska Lumber and Pulp mill in Sitka closed during this period. With fewer employees in that reporting sector its importance is diminished. Logging, which has a slightly higher pay rate, increases in importance and influences overall average hourly earnings at a greater weight than it had previously.

Average Annual Pay
United States and Alaska
1983 and 1984
(All Covered Workers 1/)

State and Industry	Average Annual Pay 1983	Average Annual Pay 1984 2/	Percent Change 1983-84 3/
United States			
Private 4/			
Total	$17,416	$16,175	4.4
Mining	28,833	30,170	4.6
Construction	20,494	20,733	1.2
Manufacturing	21,465	22,594	5.3
Trans. Comm. & Public Utilities	24,034	24,687	2.7
Wholesale Trade	21,511	22,736	5.7
Retail Trade	10,006	10,405	4.0
Finance Ins. and Real Estate	19,583	20,731	5.9
Services	15,351	16,044	4.5
Government	18,162	19,229	5.9
United States Total	17,545	18,350	4.6
Alaska			
Private 4/			
Total	28,511	28,236	-1.0
Mining	54,511	56,444	3.4
Construction	46,342	43,824	-5.4
Manufacturing	24,777	25,388	2.5
Trans. Comm. & Public Utilities	35,227	35,358	.4
Wholesale Trade	30,414	20,698	.9
Retail Trade	16,481	16,738	1.6
Finance-Ins. and Real Estate	24,205	25,349	4.7
Services	22,440	22,459	.1
Government	29,303	30,226	3.2
Alaska Total	28,740	28,806	.2

1/ Includes workers covered by Unemployment Insurance (UI) and Unemploy-ment Compensation for Federal Employees (UCFE) programs.

2/ Data are preliminary.

3/ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

4/ Includes data for industries in addition to those shown separately.

Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84
Mining	24.44	23.64	23.12	50.9	51.5	52.2	1244.00	1217.46	1206.86
Contract Construction	24.23	24.10	24.94	43.2	42.7	45.4	1046.74	1029.07	1132.28
Manufacturing	10.74	9.94	10.04	42.0	40.6	50.4	451.08	403.56	506.02
Food & Kindred Prod.	8.58	7.87	8.08	41.0	40.3	53.4	351.78	317.16	431.47
Lumber & Paper Prod.	16.69	16.08	15.77	47.0	40.2	40.5	784.43	646.42	638.69
Trans., Comm. & Utilities	15.52	15.39	15.92	38.4	37.8	39.2	595.97	581.74	624.06
Trade	11.22	11.90	10.53	34.1	34.4	36.1	382.60	409.36	380.13
Wholesale	14.16	15.01	13.17	38.0	38.5	38.3	538.08	577.89	504.41
Retail Trade	9.91	10.57	9.47	32.6	32.9	35.3	323.07	347.75	334.29
Finance, Ins. & R.E.	—	—	—	—	—	—	409.41	442.78	368.71

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.